



Government of
Saskatchewan

Annual Report 2000-2001

Saskatchewan
Agriculture and Food

**Annual Report
2000-2001**

Saskatchewan
Agriculture
and Food

**Ninety-Sixth Annual Report
for the twelve months ending
March 31, 2001**

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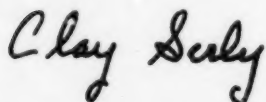
Letters of Transmittal

Her Honour
The Honourable Lynda Haverstock
Lieutenant-Governor of the Province of Saskatchewan

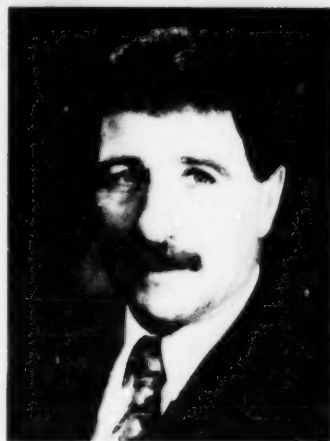
Your Honour:

I have the honour to submit the annual report of Saskatchewan
Agriculture and Food for the twelve months ending March 31, 2001.

Respectfully submitted,



The Honourable Clay Serby
Deputy Premier
Minister of Agriculture and Food

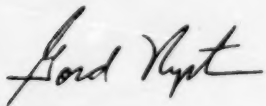


The Honourable Clay Serby
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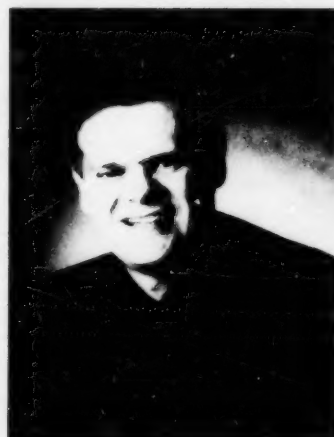
Sir:

I wish to present to you the annual report of Saskatchewan Agriculture
and Food for the twelve months ending March 31, 2001.

Respectfully submitted,



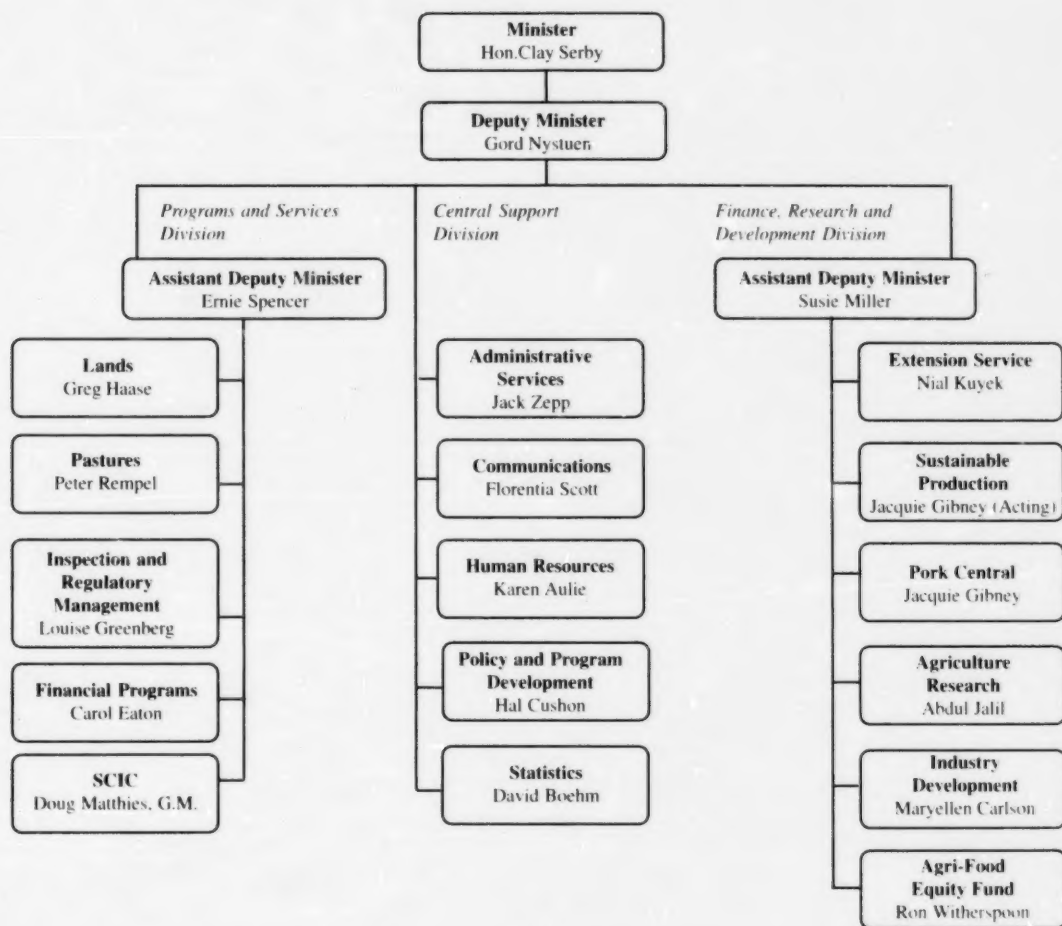
Gord Nystuen
Deputy Minister



Department Structure

Saskatchewan Agriculture and Food (SAF) is composed of three major divisions: Programs and Services Division (including Saskatchewan Crop Insurance Corporation (SCIC), a Treasury Crown Corporation), Central Support Division and Finance, Research and Development Division.

Saskatchewan Agriculture and Food Organization Chart (2000-2001)



Strategic Direction

Saskatchewan Agriculture and Food (SAF) has always been keenly aware that we cannot work in isolation because our agriculture and food industry is so important and complex, and is highly sensitive to the influences of the international marketplace. Our plans must be built within the dynamic environment of our industry as it evolves and adapts to the ever changing world.

While awaiting future direction from the Action Committee on the Rural Economy, SAF's operations continued to be guided by the *Agriculture 2000* strategic direction. This strategic direction was the result of extensive consultations with farmers and industry organizations. *Agriculture 2000* contains a vision for the province's agricultural sector:

"Saskatchewan's agriculture and food industry will improve the lives of all Saskatchewan people by continuing to develop as an economically and environmentally sustainable industry."

The strategy to shape Saskatchewan's agricultural industry is defined by three foundations:

- a) *We must address the changes that will occur on the individual farms in Saskatchewan . . . To provide the opportunity for farm families to manage their land, better control their future and to be economically successful.*
- b) *We must encourage and develop higher value production . . . To diversify the agriculture and food sector and to add value to our agricultural production.*
- c) *We must consider the institutional changes and relationships that will enable Saskatchewan agriculture to compete in the world economy . . . To promote production, marketing, research, education and training institutions which contribute to the development of family farms, diversification and value-added production.*

The mandate of the department is to add value to agriculture by fostering a commercially viable, self-sufficient and sustainable Saskatchewan agriculture and food industry in partnership with industry. This mandate addresses the needs of individual farms, encourages and develops higher value production and promotes institutional changes required to meet the challenges and opportunities of the future.

SAF Vision

Our Vision Statement is our "imagination of what we want SAF to be":

"A learning organization, dedicated to effectiveness and innovation in public service.

In Partnership: to promote growth of an agriculture and food sector that embraces change to meet the challenges and opportunities of global competition."

SAF Future Directions

The "Future Directions" of SAF are long-term goals that will help SAF achieve its Vision.

TOWARDS AN ORGANIZATION THAT:

Builds the Reputation of Saskatchewan's Agri-Food Industry World Wide

No one is likely to invest in Saskatchewan's agri-food industry or to purchase its products if they are not aware of the province's opportunities. SAF needs to play a central role in building the awareness and reputation of Saskatchewan as a place to do business in agriculture and in related industries. Domestic and international players need a firm understanding of the economic possibilities of the province. SAF needs to continually reach out to those whose ingenuity, resources, and business initiative can help to build the agri-food economy.

Promotes Diversification and Adds Value to the Products of the Agri-Food Industry

Diversification and adding value have many meanings in the agri-food industry. Greater diversity in primary agriculture contributes to a farm economy with better stability and ability to deal with economic risk. This diversity can also provide the base for new value-added processing opportunities. One of the most important directions SAF must pursue is to assist the industry to find ways to produce and market higher-value products to capitalize upon the relatively strong growth in these markets relative to bulk commodity markets.

Supports Sustainable Growth in the Agri-Food Industry

Growth in the agri-food industry is necessary to provide opportunities for people to run businesses and to work in the agri-food industry. But the growth must be sustainable growth. This means achieving growth while conserving and protecting the natural resources upon which agriculture and non-agricultural activities depend. It also means producing crops, livestock and processed products in a way that provides a safe human environment and high quality, healthy end-products for consumers.

Contributes to a Secure Climate for Investment in the Agri-Food Industry

Investment has a habit of avoiding business environments with excessive levels of boom and bust in the marketplace. Agriculture has long been challenged by natural hazards of production and volatile markets. Business arrangements that effectively deal with production and market risks need to be adopted. In addition, insurance and stabilization tools need to provide a level of stability for the industry, while allowing businesses to respond to marketplace needs. A secure climate for investment that is competitive with other jurisdictions is critical to economic growth.

Creates Strong Relationships and Partnerships with the Agri-Food Industry and its Institutions

No single business, research institution, education institution, or government department or agency, can be all things to all people in the agri-food industry. The industry needs are far too diverse and complex. With this in mind, SAF must build strong relationships and partnerships with other players in the industry to make the most effective contribution. Building relationships takes time and patience and, once built, can be easily lost. But, strong relationships and partnerships are the only route to success.

Provides Specialized Programs, Services and Knowledge to the Agri-Food Industry

Henry Mintzberg, a noted management consultant and author, once said, "I do not wish to buy my cars from government any more than I wish to receive my policing services from General Motors." To put this in the current context, SAF needs to provide what it does best and leave the rest to our partners in the agri-food industry. As a government player, SAF is equipped to meet certain needs that others are not. Conversely, producers, universities, agribusiness and researchers each have their particular role which SAF is not equipped to perform. Put another way, SAF must ensure that we bring to our industry partnerships unique contributions that clearly add value to those partnerships.

Uses Leading-Edge Technology Effectively

Technological advance has certainly revolutionized the agri-food industry. Overwhelmingly, organizations that use leading edge technology effectively are those that add value to their product and give value to their customer. SAF must play a vital role in recognizing new technology that addresses the challenges and meets the problems the agri-food industry will face in the future. SAF must also play its role in transferring technology in its many forms to the ultimate industry users of technology. Of particular importance will be SAF's use of information technology as a tool for sharing information and delivering programs and services.

Builds on Learning, Dedication and Innovation

Learning, dedication and innovation are words from SAF's Vision. Knowledge must be continually acquired in today's fast-paced and ever-changing agri-food industry. Constant learning by all SAF employees will be vitally important to future achievements. A challenge will be to learn the right things in a world of unlimited information. Success can never be had without dedication and commitment to the organization and its Vision. Finally, SAF and its employees must innovate to drive change, and to respond to changing industry demands, as these redefine the need for SAF's services.

Department Goals

As part of our internal planning framework, the SAF Vision and Future Directions are further defined by a set of Department Goals that guide our "expectations for results" for the broad range of programs and services provided by the department.

- Goal 1 - Generation of technology for new and better products, increased output, reduced production costs and environmentally sustainable practices.**
- Goal 2 - Easy and timely access to information and technology, appropriate to the agri-food industry's business management needs.**
- Goal 3 - Unique and innovative financing to meet capital needs for diversification and adding value to agriculture.**
- Goal 4 - Enhanced productivity and sustainability of agricultural resources to ensure sustained business opportunities.**
- Goal 5 - A regulating environment that enables growth through high quality products, food safety, environmental protection and market access.**
- Goal 6 - Effective management of business risks, with the agri-food industry responding to market signals about what to produce.**
- Goal 7 - Identification of new business opportunities in the agri-food industry.**
- Goal 8 - Provincial, national and international policies that promote growth, diversification and adding value to the Saskatchewan agri-food industry.**
- Goal 9 - Client satisfaction through friendly and effective customer service.**
- Goal 10 - A responsible and accountable organization with knowledge, skills, information and authority to perform with excellence.**
- Goal 11 - Responsible financial management and administration based upon strategic priority setting.**
- Goal 12 - Industry awareness of SAF's direction, goals, policies and programs.**

Branch and Agency Mandates and Objectives

Each branch made a commitment to:

- Contribute to furthering the directions and goals of SAF within their mandates.
- Pro-actively manage human resources to maximize employee potential and performance by: integrating individual workplans with branch objectives, enhancing performance management, facilitating learning opportunities, and responding to employee survey action teams.
- Develop an active communication plan that promotes recognition for branch and department efforts, increases credibility of staff, and improves client understanding of how individuals and branches work to enhance development of the agriculture and food industry.

Administrative Services Branch

Mandate: *To assist with financial management and information technology for efficient and effective delivery of programs and services.*

Objectives:

- Ensure accountability of the department's financial resources through: policy and procedure development; expenditure and revenue processing and recording; expenditure and revenue forecasts; revenue and expenditure budget preparation; cash management; financial reporting; and program administration.
- Assist effective department operations through: Legislative and Cabinet services coordination; facilities management; purchasing and inventory control; mail and delivery service; transportation fleet coordination; telephone system coordination; records management; and Freedom of Information coordination.
- Ensure efficient and effective use of department resources through: strategic planning, program evaluation, and business improvement services.
- Design and deliver the department's information management systems through: information distribution services; internet and intranet design, development, maintenance and delivery; database design, configuration and performance monitoring; and application development, support and maintenance.
- Manage the department's information technology (IT) infrastructure through: hardware and software help desk support; hardware and software research, evaluation, acquisition, installation and maintenance; network and infrastructure planning, design, installation and maintenance; mainframe connectivity support; development of IT policies, standards and use guidelines; IT security planning, design and monitoring; and IT training.

Agriculture Research Branch

Mandate: *To manage and co-ordinate SAF research investment.*

Objectives:

- Develop, communicate and implement SAF research and development (R&D) strategic priorities.
- Target R&D funding for the development of the value-added agri-food industry.
- Develop an intellectual property policy and a confidentiality standard for SAF - R&D investments.
- Manage human resources to maximize employee potential and performance.
- Update and incorporate the use of electronic technology into processes and systems for the management of R&D programs.
- Carry out an evaluation of all branch R&D funding programs.
- Negotiate and review long-term funding arrangements including the Strategic Research Program with the University of Saskatchewan.

Agri-Food Equity Fund Branch

Mandate: *To promote sustainable economic growth and employment in Saskatchewan's agri-food sector.*

Objectives:

- Invest an expanded capital base of \$35 million in the province's agricultural businesses and stimulate the growth of the processing industry.
- Provide patient venture capital and business development consultation services to companies or co-operatives during a business start-up or expansion.
- Actively identify and analyze investment opportunities for agriculture and food based initiatives.
- Enhance developments to a portfolio management system that monitors individual and aggregate performance, and allows for internal auditing.
- Continue to work with other government agencies in the development of an overall government investment strategy.
- Partner with other financial providers to arrange customized financial packages to meet unique business needs.

Communications Branch

Mandate: *To co-ordinate and provide assistance to effectively communicate and market the department's policies, programs and services.*

Objectives:

- Effectively market Communications Branch services to appropriate client departments.
- Expand activities regarding agricultural awareness – particularly targeted at the urban audience.
- Refine and expand the strategic communications planning process within the department.
- Review and revise Communications Branch services to various client groups.

Extension Service Branch

Mandate: *To assist in the adoption of cost effective technology in producing products and to provide information of SAF programs.*

Objectives:

- Adapt, develop and deliver information to clients on new production and management practices and technologies in traditional and emerging commodities and areas.
- Increase the degree of specialization and skill sets of employees in order to offer focused information and services based on client needs.
- Create equitable partnerships with governments, industry associations and producer groups in order to increase the efficiency and productivity of Extension Service resources.
- Develop and implement employee and branch customer service standards that enhance the quality and timely service that we provide.

Financial Programs Branch

Mandate: *To develop and manage financial programs that support and strengthen Saskatchewan agriculture.*

Objectives:

- Develop and deliver financial programs.
- Encourage investment in the agriculture sector.
- Promote diversity and expansion.
- Manage resources to maximize recovery of outstanding loans and fees for the department.

Human Resources Branch

Mandate: *Helping to create an effective and innovative organization working with the industry to help it grow.*

Objectives:

- Leading the assessment and development of strategies to ensure an appropriate organizational environment.
- Efficient and effective human resource processes, systems and tools for the recruitment and retention of employees to achieve SAF goals.
- Offering and supporting learning and development for employee, work team and department effectiveness.

Industry Development Branch

Mandate: *To provide specialized services for Saskatchewan agriculturally based industry through institutional development, food regulatory policy and business development*

Objectives:

- Deliver information and expertise on opportunity area project plans, which result in attracting retaining and expanding the agri-value business for Saskatchewan.
- Develop, review and amend SAF's policies and regulations to ensure further industry expansion.
- Identify and analyze market developments and opportunities for the agri-value industry in Saskatchewan.
- Provide specialized services and information to the agri-food industry in partnership with the Food Centre and its members.

Inspection and Regulatory Management Branch

Mandate: *To support the agri-food industry by providing services and administering regulations for food and crop protection, animal disease surveillance, environmental reviews, inspections, licenses, registrations and complaint resolution.*

Objectives:

- Ensure market access for livestock and livestock products through development and delivery of disease surveillance, food safety and inspection programs.
- Responsible use of pesticides through licensing and training.
- Protect producer ownership and reduce financial risk through livestock identification and licensing.
- Improve management practices and enable growth in livestock production and processing through a supportive regulatory environment.
- Develop and deliver on-farm quality assurance programs.
- Ensure development of environmentally sound and socially acceptable intensive livestock operations.
- Deliver complaint resolution services.

Lands Branch

Mandate: *To promote the sustainable and integrated use of Crown land while providing opportunities for diversification and economic growth.*

Objectives:

- Ensure the sustainable management and proper use of Crown land.
- Balance the economic, social, environmental and social demands placed on the use and management of Crown land.
- Ensure the cost effective management of the branch's financial assets to meet established standards and generally accepted accounting requirements.
- Provide exceptional, cost effective client service in the day to day delivery of our programs.
- Manage existing and new technologies to improve the accuracy, integrity and delivery of information to all users and stakeholders.
- Facilitate opportunities for sustainable integrated land uses in a planned and co-ordinated manner.

Pastures Branch

Mandate: *To provide livestock business opportunities through a Saskatchewan Pastures Program (SPP) while promoting public objectives of integrated land use and a sustainable land resource.*

Objectives:

- Provide supplementary grazing on an equitable basis to all Saskatchewan livestock producers.
- Maintain provincial grazing lands and fragile lands in permanent cover to promote soil stability.
- Promote environmental and agricultural sustainability of marginal Crown lands through good rangeland planning and forage management.

Policy and Program Development Branch

Mandate: *To anticipate and analyze economic opportunities and policy issues and respond by developing appropriate strategies.*

Objectives:

- Provide specialized economic analysis and information to SAF on the issues and opportunities facing the Saskatchewan agriculture and food sectors and propose public policies to help address those issues and opportunities.
- Identify and analyze the implications of the actions of other provincial, federal and other countries' governments on our agriculture and food sectors.
- Participate in and represent SAF on federal-provincial policy committees.
- Identify and monitor trends and issues that may impact the sector.
- Analyze and propose public policy frameworks that help the sector to grow.
- Assist in the communication of public policy positions to stakeholders.

Pork Central

Mandate: *To provide leadership and specialized services that contribute to an expanding pork industry that is globally competitive, environmentally sound and socially responsive.*

Objectives:

- In partnership, facilitate and support research activities that address industry needs and contribute to sustainable production units.
- Development and delivery of a technology transfer program that ensures producers' information needs are met through exceptional customer service.
- Ensure programs and services contribute to improved market access and financial stability.
- Create an infrastructure and investment climate that facilitates expansion of the pork industry.

Saskatchewan Crop Insurance Corporation (SCIC)

Mandate: *To provide crop production insurance to farm businesses in order to manage production risk and to stabilize the farm economy.*

Objectives:

- Research, plan and develop programs and policy based on agronomic information. This is done through analysis, consultation, and managing within legislative guidelines and by keeping abreast of changing farm practices and production risks in order to reflect these changes in the insurance program.
- Be leaders in the delivery and enhancement of crop production insurance to agricultural producers.
- Ensure integrity in the yields reported by producers, the claims distributed to producers and the adjusting practices applied by the corporation.
- Effectively communicate the crop insurance programs and its various services to our public through print, electronic and broadcast media and marketing public relations.
- Provide information technology services for the corporation through leadership, timely systems development, quality control, networking services, operations and technical support, thereby assisting others to serve external customers.
- Enhance the effectiveness of human resources management within the SCIC and ensure quality employees are obtained, developed, properly utilized, evaluated and retained to ensure organizational effectiveness.

Statistics Branch

Mandate: *To compile, interpret and distribute statistical data describing trends in the industry to facilitate decision making for SAF and stakeholders.*

Objectives:

- Research, design and develop interactive relational data management systems that enhance the efficiency of the Statistics Branch in both the orderly storage and dissemination of agri-food data.
- Establish and maintain a network of information sources on emerging primary and value-added sectors in Saskatchewan.
- Facilitate the development of GIS capabilities in the branches/agencies of SAF.
- Meet the agri-food data needs of our clients – in terms of timeliness, accuracy, subject matter, and increase client awareness of branch programs and services.
- Establish sample survey capability to assist the branches and agencies of SAF to gather information for program and policy development and evaluation.

Sustainable Production Branch

Mandate: *To provide specialized production services to the Government of Saskatchewan, and to producers through extension agrologists and industry groups.*

Objectives:

- **Development:** in partnership with industry groups, identify opportunities for development and diversification of crop and livestock production in Saskatchewan and work with SAF branches and government agencies to create and implement strategies to help realize these opportunities.
- **Specialist Services:** through ongoing dialogue with industry and government stakeholders, develop, target, adapt and provide appropriate depth and range of specialist services, programs and informational products to increase sustainability of Saskatchewan crop and livestock producers.
- **Regulation and Policy:** develop, review, amend and administer SAF policy and legislation to ensure the further sustainability of crop and livestock production in Saskatchewan.
- **Client Service:** consult with internal and external clients to evaluate the appropriateness, and improve timeliness and efficiency of branch programs and services.

Industry Overview

Saskatchewan's agriculture and food industry is a vital part of the economic growth and development of the province.

With increased global competition, Saskatchewan's agriculture and food industry must respond to meet the related challenges and to capture the opportunities of the international marketplace. For this reason, the province has seen an increased focus on areas that add value and diversify the agriculture and food sector.

During the year, the province continued to see the results of industry efforts, along with the contributions of Saskatchewan Agriculture and Food, to grow new commodities, to expand livestock and to add more value to agricultural commodities. The year also demonstrated the continuing contribution of agriculture to the overall provincial economy and the socio-economic dimension of agriculture within Saskatchewan.

The Changing Face of an Industry

Saskatchewan's agricultural production and processing industry is an important factor in the Saskatchewan and the Canadian economies, and is changing dramatically:

- Saskatchewan exports of primary agricultural products represents 36 per cent of the Canadian total value of primary agricultural exports.
- The total value of Saskatchewan agriculture and food exports reached \$4.2 billion in 2000, representing 32 per cent of the total value of Saskatchewan's exports.
- Saskatchewan's production of lentils in 2000 represented 97 per cent of Canada's total lentil production.
- Saskatchewan produced 87 per cent of Canada's canary seed in 2000.
- Ninety-two per cent of Canada's total mustard crop was produced in Saskatchewan in 2000.
- In 2000, Saskatchewan produced 84 per cent of the country's durum and 50 per cent of Canada's total wheat production.
- Canola acreage increased 26 per cent from 4.6 million acres to 5.8 million acres between 1993 and 2000. Approximately three-quarters of the canola acreage in 2000 were herbicide tolerant varieties (compared to four per cent in 1996).
- Between 1994 and 2000, dry pea acreage doubled from 1.1 million to 2.2 million acres.
- Chickpea harvested acreage reached 650,000 in 2000, double the acreage in 1999. Five years ago there were barely 6,000 acres of chickpeas in Saskatchewan.
- Saskatchewan had 1.92M square feet of greenhouses and nurseries under glass and plastic in 2000, compared to 1.55M square feet in 1999. Total sales in 2000 were \$15.76M, compared to \$11.25M in sales in 1999.
- Saskatchewan had the highest growth rate of medicinal herbs in Canada in 2000. Over 35 different kinds of herbs are being grown commercially in Saskatchewan, with medicinal herb production growing the fastest. Echinacea, a native plant, has been one of the most popular crops. Saskatchewan exported \$6.6 million of medicinal herbs, essential oils and spices in 2000.
- Saskatchewan has approximately 1,160 organic growers, including approximately 50 organic livestock producers. There are 25 organic processors in the province. The rate of growth in the organic industry is estimated at approximately 20 per cent per year.
- The impact of weather on Saskatchewan agricultural production was dramatically illustrated as the province's wild rice crop dropped from a record level of 2,040 tonnes with sales of \$3.37 million in 1999, to only 565 tonnes in 2000 with sales of \$935,000.
- In 2000, Saskatchewan's cattle herd was 2,680,000 head, a 23 per cent increase from the 1990 levels. Saskatchewan had 25 per cent of the Canadian beef cow herd in 2000.
- There were 100,300 female hogs (sows and gilts) on Saskatchewan farms in 2000, the highest number since 1974.
- Saskatchewan's bison herd grew to an estimated 24,000 head in 2000, an increase of 20 per cent from 1999.
- There are 265 food processors in Saskatchewan in 2000, an increase of 85 per cent from 1991 when there were 143 firms. Seventy-three of these companies export into the international market (processed food exports have doubled over the last decade). Food processors now employ 7,400 people in Saskatchewan. Sixty-five per cent of these processors are located outside of Saskatoon and Regina.
- Saskatchewan has over 128 specialty crop processing facilities, which generate approximately 1,086 jobs (690 of which are year-round, full-time jobs).
- Saskatchewan farm machinery manufacturers report sales of \$584 million in 1999, up from \$250 million in 1991. In 1999, there were 4,167 people employed in agricultural machinery manufacturing in Saskatchewan – a one per cent increase from 1998 after major layoffs in 1997.
- The biotechnology sector in Saskatchewan now employs 1,240 workers – 496 scientists, 694 technicians and 50 in sales and manufacturing – with salaries totalling \$43 million.

Year in Review

The 1999/2000 Saskatchewan winter produced mean temperatures that were above normal, and snowfall amounts that were generally below normal. The accumulated winter (November 1, 1999 to March 31, 2000) precipitation totals generally varied from well below normal in southern, east central, and extreme western areas of the grainbelt, to near normal in north central and the far northeastern areas of the grainbelt. Showers and snow flurries in April helped rejuvenate topsoil moisture conditions, leaving most of the province with fair to good moisture conditions just prior to seeding.

Seeding activity began in the southwest during the second week of April. By the first week in June, seeding had largely been completed. Crop development was generally near or ahead of the five-year average throughout the growing season.

During the growing season (April 1 to August 1), precipitation as a percentage of normal varied from a low of 54 per cent at North Battleford and 59 per cent at Kindersley, to a high of 202 per cent at Moose Jaw and 180 per cent at Assiniboia. Poor moisture conditions continued in west central and northwestern areas until early July.

Harvest operations started the last week of July for fall-seeded and early spring-seeded crops. It was mid-October of 2000 before the harvest was reported to be essentially complete. Rain during harvest lowered the quality of some crops. The 20-year (1980-99) average for spring wheat is 50 per cent grading No. 1 Canada Western (CW). The 2000 crop was estimated to have 43 per cent 1 CW. There was also considerable variety in spring wheat quality, ranging from an estimate of up to 94 per cent 1 CW reported in the southwest, to an estimate of nine per cent reported in the northwest.

Across the province, the first and second cuts of brome/alfalfa hay on dryland averaged 1.5 tons per acre, above the 10-year average of 1.2 tons per acre. Hay quality suffered as cool, rainy weather delayed haying operations. Second cuts of hay were not taken off in some areas, due to the lateness of the first cut, dry conditions, or sufficient hay stocks.

Winter feed supplies were generally adequate to surplus across the province. In many areas, pastures were in generally good carrying condition for much of the season.

Topsoil moisture conditions on crop land were rated as poor to fair by 75 per cent of reporters at the end of harvest. Topsoil moisture conditions on hay and pasture land were rated as poor to fair by 88 per cent of reporters.

Land and People

Saskatchewan's total land area is 220,200 square miles or 140.9-million acres.

Farmland area comprises 65.7-million acres, of which cultivated farmland area is 49.6-million acres, and native pasture and other is 16.1-million acres.

The number of farms in Saskatchewan is 56,995 as of the 1996 Census of Agriculture. Average farm size is 1,152 acres. Average cultivated area on farms is 870 acres. According to the 1996 Census, the total Saskatchewan population is 990,237 comprised of a total rural population of 363,059, and a total urban population 627,178.

Farm Typology

An examination of farm structure based solely on the provincial average does not provide an accurate picture of the industry because farm structure is highly variable. As a result, attempts to develop universal farm programs and policies based on an average farm are often ineffective at meeting the needs of all producers.

Farm typology information compiled by Agriculture and Agri-Food Canada (AAFC) from the Farm Financial Survey 2000 and the Whole Farm Data Base (based on 1999 data), provides insight into the diversity of Saskatchewan farms. In an attempt to create homogeneous farm classifications, AAFC has developed seven farm typologies (see definitions following Table 1). Table 1 illustrates the variability of Saskatchewan farms based on the AAFC farm typology classification system.

Highlights of the AAFC typology include:

- Just over one-third of Saskatchewan farms, those classified as large and very large farms, account for two-thirds of farm sales.
- When pension farms are added to the large and very large farms, this group accounts for 60 per cent of Saskatchewan farms, 84 per cent of sales.
- Net operating income varies considerably across the different typologies. Only the large and very large farms are able to generate enough income directly from the farm to be self-sustaining. The rest of the typologies rely heavily on off-farm income sources to realize a "typical" family income. The one exception is the low-income classification, which is unable to generate a significant income from on or off the farm. This group tends to be made up of producers with a small farm base and very little off-farm income.
- Very large farms also receive a much smaller portion of program payments (5.2 per cent) than would be expected from their percentage of sales (18.5 per cent).

Table 1: Farm Typology, Saskatchewan

Typology	Number of farms	Percentage of farms	Percentage of sales	Percentage of payments	Net operating income (\$)*	Total family income (\$)**
Pension	10,375	25.0	17.4	23.8	11,800	36,860
Lifestyle	2,200	5.3	1.2	2.3	2,230	88,515
Low Income	3,385	8.2	2.0	2.0	-1,990	6,410
Business Focused						
Small	2,860	6.9	1.7	2.7	8,175	35,065
Medium	8,065	19.4	10.7	15.3	9,155	32,590
Large	13,720	33.0	48.5	47.6	32,750	61,985
Very Large	925	2.2	18.5	5.2	79,015	154,120
All Farms	41,585	100.0	100.0	100.0	18,665	45,787

* farm family net operating income

** total family income includes net operating income, farm wages and salaries and off-farm income

Source: Farm Financial Survey 2000, Whole Farm Data Base, Statistics Canada

Note: Excludes farms with less than \$10,000 in gross farm revenues, compared to the Census data which includes all farms with more than \$2,500 in gross farm revenues

Definitions:

Pension Farms: Those farms whose oldest operator or main operator was from 60 to 64 years old and receiving pension income (CPP/QPP) and all farms whose main operator is 65 years of age or older.

Lifestyle Farms: Those farms with gross farm sales \$10,000 to \$49,999 and off-farm income of \$50,000 and over.

Low Income Farms: Those farms with gross sales of \$10,000 to \$49,999 and total family income below \$20,000.

Business Focused Farms: Those farms with any gross sales who do not fit into the above categories. These include small (\$10,000 to \$49,000), medium (\$50,000 to \$99,999), large (\$100,000 to \$499,999) and very large (\$500,000 and over) farms. (All co-op and communal farm operations are placed in this category.)

Commodity Prices

Commodity prices were again mixed in 2000. The decline in crop prices that started in 1998 continued into 2000 with grain, oilseed and specialty crop prices well below the previous five-year average. On the positive side, livestock prices remained strong in 2000. Both cattle and hog prices continued to strengthen in 2000, with prices above the previous five-year average.

Saskatchewan Crop and Livestock Prices

	1995-99 avg. (\$/t)	1999	2000
Wheat	170	141	126
Canola	352	284	232
Lentils	356	386	359
Peas	180	143	127
Cattle (\$/cwt.)	82	89	94
Hogs (\$/cwg)	154	122	164

Income and Expenses

While total farm cash receipts were kept slightly above the five-year average because of increased livestock receipts and program payments, increased operating expenses reduced net cash income.

Saskatchewan Net Farm Income (thousand dollars)

	1995-99 avg.	1999	2000
Crop Receipts	4,118,963	3,639,966	3,560,011
+ Livestock Receipts	1,176,458	1,371,744	1,446,287
+ Program Payments	350,881	475,871	775,667
= Farm Cash Receipts	5,646,302	5,487,581	5,781,965
+ Rebates	36,813	34,805	35,647
- Gross Operating Expenses	4,234,343	4,261,286	4,557,386
= Net Cash Income	1,448,772	1,261,100	1,260,226
+ Income-in-Kind	11,688	11,787	11,817
- Depreciation	834,843	891,717	882,266
= Realized Net Farm Income	625,617	381,170	389,777
+ Value of Inventory Change	103,470	270,839	32,372
= Total Net Income	729,087	652,009	422,149

Average total farm family income for 1998 (the latest figures available from the Statistics Canada - Taxation Data Program) was \$60,507 compared to the five-year average (1993-97) of \$53,151. Total farm family income in 1998 included net farm operating income of \$19,196 and off-farm income of \$41,311. The five-year average (1993-97) for net farm operating income is \$19,094 and for off-farm income is \$34,057.

The total value of farm capital in Saskatchewan in 2000 was \$34.707 billion compared to the five-year average (1995-99) of \$31.488 billion.

Crop Production

The diversification of Saskatchewan crops continues. In 2000, 71 per cent of the acres harvested in Saskatchewan had been sown to crops other than spring wheat. This compares with less than 45 per cent to crops other than spring wheat during the period 1983-87.

Harvested area for 2000 compared to the five-year averages of 1995-99 and 1985-89 is as follows:

Crops	Harvested Area (acres)		
	2000	1995-99	1985-89
spring wheat	9,730,000	11,566,000	15,770,000
canola	5,810,000	5,670,000	3,004,000
durum	5,300,000	4,502,000	4,142,000
barley	4,900,000	4,150,000	3,560,000
oats	1,415,000	1,610,000	876,000
field peas	2,215,000	1,413,000	223,000
flax	995,000	1,187,000	627,000
lentils	1,635,000	854,000	277,400
mustard seed	455,000	545,000	307,000
canary seed	355,000	370,000	186,800
fall rye	105,000	185,000	364,000
winter wheat	145,000	85,000	462,000
sunflower seed	20,000	41,000	10,100
triticale	35,000	29,000	n.r.
spring rye	10,000	15,000	42,000
mixed grains	15,000	25,000	33,000
chick peas	650,000	n.r.	n.r.
safflower	5,000	n.r.	n.r.
Total	33,795,000	32,247,000	29,884,300

n.r. - not reported

Horticulture Crops

	Harvested Area (acres)		
	2000	1995-99	1985-89
potatoes	9,200	8,440	3,780
fruit	910	858	n.r.
vegetables	473	855	n.r.
greenhouse	n.r.	33	n.r.
sod and nursery	n.r.	1,938	n.r.

n.r. - not reported

Livestock on Farms and Poultry Placements

	2000	1995-99	1985-89
total cattle & calves	2,680,000	2,809,600	2,090,800
total pigs	1,039,800	881,580	709,600
total sheep & lambs	104,700	81,140	60,900
chickens (for meat)	19,635,000	114,131,000	9,653,400
chickens (for eggs)	811,000	855,200	827,000
turkeys	814,000	794,000	604,800
bee colonies	100,000	90,300	87,000

Specialized Livestock

	2000	1995-99
wild boar	20,000	14,400
elk	28,000	14,619
bison	24,000	11,560
deer	6,600	5,335
ratites (ostrich, emu & rhea)	2,000	2,300

International Exports

The value of agriculture and food exports decreased in 2000 to \$4.110 billion compared to \$4.125 billion in 1999, and was also lower than the five-year average (1995-99) of \$4.568 billion. Some examples of exports and their value are as follows:

Value of International Agriculture and Food Exports (\$ million)

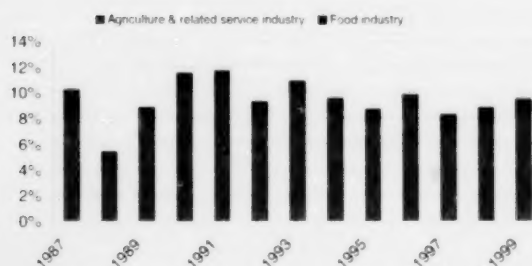
	2000	1995-99
wheat	1,371.8	1,523.5
durum	609.8	854.9
canola	501.5	570.5
barley	185.9	231.0
cattle & calves	102.7	172.8
hogs	19.9	11.0
other livestock and poultry	12.5	12.3
plant products	313.0	249.9
food and beverages	18.6	12.6

Saskatchewan Agri-Food Industry Indicators

Saskatchewan Agriculture and Food monitors the state of the agriculture and food industry by using a set of historical indicators that allows us to follow the trends developing in the key economic and agronomic sectors. Understanding

these statistical trends allows the department to develop its policy and program initiatives in a realistic context of the long-term trends in the industry.

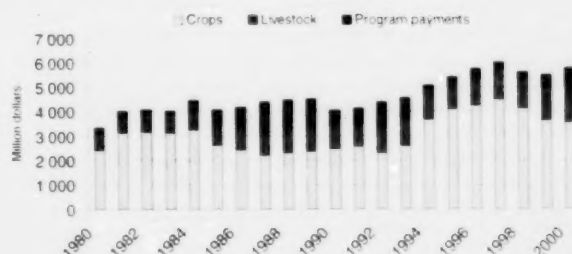
Saskatchewan Agri-Food GDP as a Percentage of Saskatchewan Total GDP



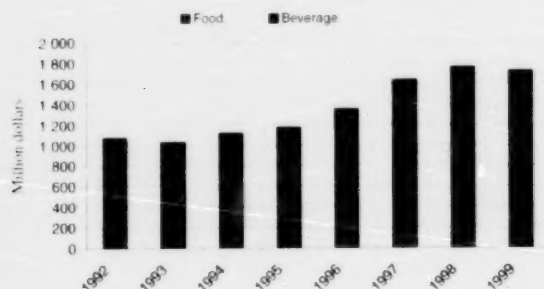
The importance of the agriculture and food industry is demonstrated by its contribution to the gross domestic product of the province. It has consistently run around 10 per cent, varying with production (see dramatic drop caused by the 1988 drought) or from price variation in the last few years. Agriculture and food GDP has declined relative to the total Saskatchewan GDP since the early 1990s. This decline illustrates the growth and diversity of the Saskatchewan economy rather than a decline in agriculture.

Saskatchewan Sources of Farm Cash Receipts

The major contributor to the province's agriculture and food gross domestic product (GDP) is primary production. The sources of farm cash receipts indicate the cyclical nature of crop receipts, the relatively steady livestock receipts, and the variability in program payments.

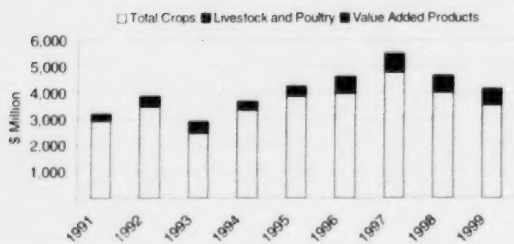


Saskatchewan Food and Beverage Industries Value of Shipments



The second major component of the agriculture and food GDP is value-added processing. While the growth since 1993 is indicated by the statistics for the food and beverage industry, there are many other components of further processing that are demonstrating similar growth trends.

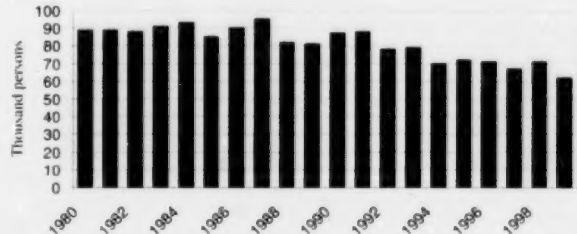
Value of Saskatchewan Shipments to other Countries



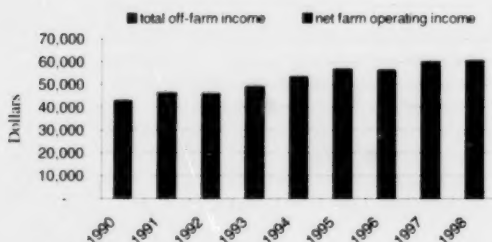
With a small population and a highly efficient production system, Saskatchewan will always be a major exporter of our agriculture and food products. The importance of those exports is indicated by the annual multi-billion dollar shipments. Future challenges for Saskatchewan will continue to be adding value to our raw exports and further processing prior to export.

Saskatchewan Agriculture and Food Sector Employment

Agriculture and food employment of over 60,000 people in a province of a million people is another indicator of the importance of the sector. These figures do not reflect the myriad of service industries that essentially depend on agriculture for their existence. Increased farm size and mechanization will see agricultural employment continue its declining trend. (The Labour Force Survey of Statistics Canada bases their information on self declaration of the respondent's primary occupation according to hours worked. The data becomes highly variable over time as the relationship between off farm and farm work varies and does not necessarily reflect a drop in the number of farms.)



Sources of Saskatchewan Average Total Farm Family Income



Farm families are increasingly turning to off-farm income to bring their income up to levels required to maintain a reasonable standard of living, which has not necessarily been available from farming itself.

* 1999 income statistics from the Statistics Canada - Taxation Data Program not available at the time of printing.

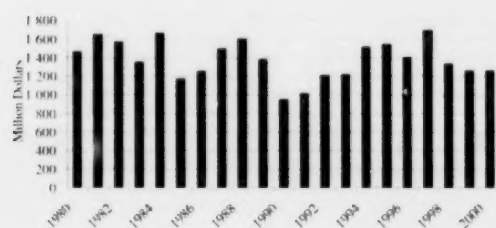
Saskatchewan Off-Farm Income Sources

Off-farm income includes investment income as well as wages and salaries. It is noteworthy that the investment income component has been in relatively steady decline since the early 1980s, while off-farm employment is on the rise.

* 1999 income statistics from the Statistics Canada - Taxation Data Program not available at the time of printing.



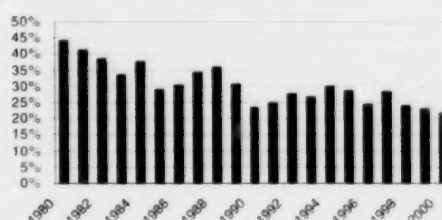
Saskatchewan Net Cash Income



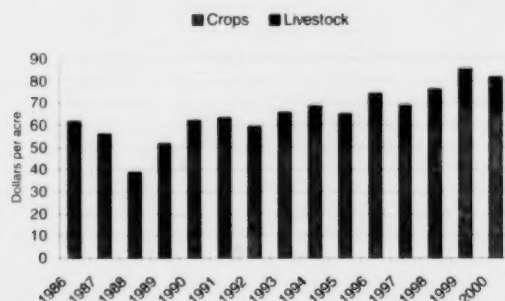
Net cash income is the amount of income a farmer has available after operating expenses but before taking depreciation into account. It is generally considered the best measure of a farmer's ability to respond to short-term income variability because depreciation or investment in equipment can be deferred in the short term.

Saskatchewan Net Cash Income as a Percentage of Total Farm Cash Receipts

Net cash income as a percentage of total farm cash receipts is a key indicator of the short-term margins that a farmer is achieving from his operation. The decline from above 40 per cent to around 25 per cent over the past twenty years is indicative of an industry that is seeing reduced margins over time. One result of smaller margins is increasing farm size.



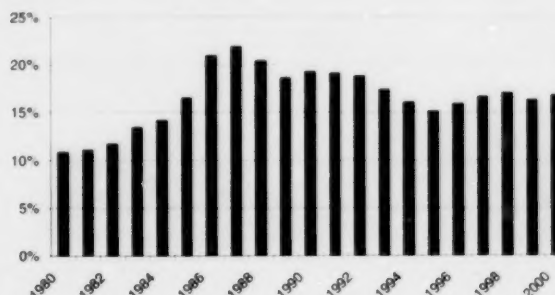
Saskatchewan Output \$/acre



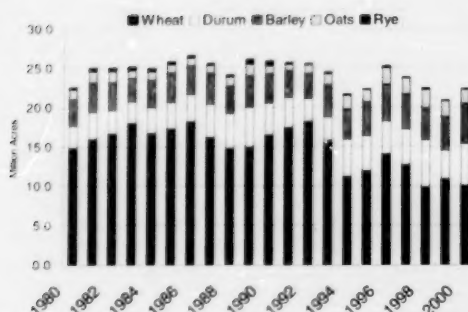
At the same time, the productivity of Saskatchewan farmers continues to increase. The Saskatchewan Output indicator is the combination of all crop and livestock receipts in constant dollars divided by the acres of farmed land. This measure of productivity looks at a per acre output of Saskatchewan agriculture holding the effects of price change constant.

Saskatchewan Farm Debt-to-Capital Ratio

The debt-to-capital ratio indicates that farmers in Saskatchewan tend to be conservative about borrowing and that the response to more difficult financial periods in farming is to reduce the level of debt in their operations.



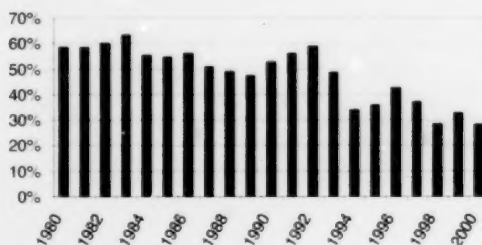
Saskatchewan Cereal Crop Acres



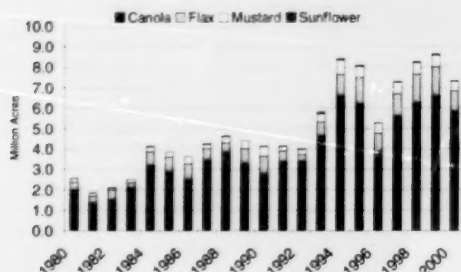
Cereal crops continue to be the backbone of the crops raised in Saskatchewan, primarily because of their importance in the crop rotation needs in farm operations and the generally less-intensive farming practices required.

Saskatchewan Spring Wheat Acres as a Percentage of Total Seeded Acres

Saskatchewan has often been portrayed as a single-crop region depending on hard red spring wheat. That reality is changing rapidly - from a traditional 50 or 60 per cent of seeded acres, there has been a dramatic diversification to other crops since 1992. Saskatchewan farmers plant over 50 different crops today and are always on the lookout for new and better alternatives.



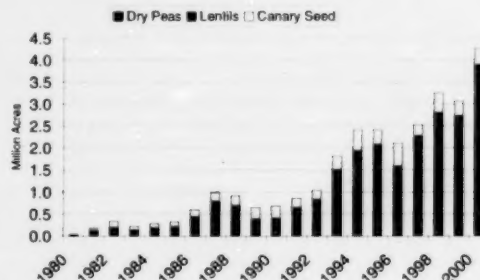
Saskatchewan Oilseed Crop Acres



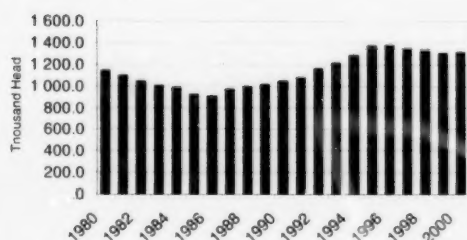
Oilseed crops have become an essential part of the Saskatchewan cropping options for farmers. Canola now vies with wheat as the most valuable crop produced in Saskatchewan since that shift away from spring wheat began in earnest in 1993. The move to longer rotations and continuous cropping has partly driven the expansion in oilseed acres.

Saskatchewan Specialized Crop Acres

Specialized crops, particularly dry peas, have also become an important cropping option for farmers since 1992. While requiring more intensive farming practices than cereal grains, they are also an important part of the crop rotation to alternate with oilseed production providing the unique benefit of nitrogen fixation which has the potential to reduce farm input costs.



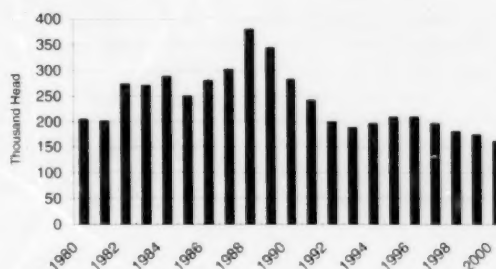
Beef Cows/Beef Replacement Heifers on Saskatchewan Farms, July 1, 1980-00



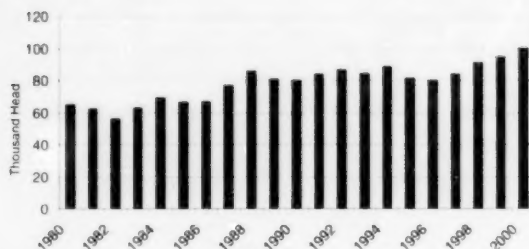
Livestock is also a key aspect of Saskatchewan agriculture and is an important stabilizing influence compared to the variability seen in the crops sector. The beef cows/replacement heifer index measures the "factory" of the cattle industry and the capability to produce calves for feeding and for replacement breeding stock.

Saskatchewan Slaughter Steer and Heifer Marketings, 1980-00

Slaughter steer and heifer marketings measure the amount of value added to the beef calf that is done within the province. Generally, the statistics prove the adage that the Saskatchewan cattle industry is primarily based on cow-calf operations and that we tend to ship the calves or feeders we produce out of the province for final finishing and slaughter.



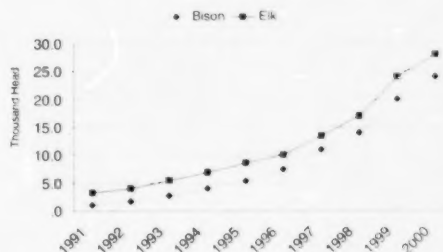
Sows and Gilts on Saskatchewan Farms, 1980-00



The sow and gilt inventory reflects the "factory" of the hog industry. The numbers here indicate a relatively steady increase in the capacity in the province, in contrast to other regions where there is a more cyclic pattern. Saskatchewan offers tremendous opportunity in the area of hog production with confirmed growth anticipated for the future.

Saskatchewan Estimates of Specialized Livestock Inventories, July 1, 1991-00

Finally, specialized livestock represents the trend to diversification that farmers are trying to achieve in the livestock sector. The numbers are particularly impressive for bison and elk production.



Executive Summary

During 2000-2001, Saskatchewan Agriculture and Food engaged in a wealth of activities designed to assist the agricultural industry with diversification and value-added initiatives. The following summary of this year's activities highlights our commitment to providing timely and constructive assistance to the agricultural industry in Saskatchewan.

Contact with farmers

During the year, SAF continued to provide producers and agribusiness with direct access to agriculture programs and technical information. One on one consultation and problem solving is an important and significant area of activity.

This year, SAF staff:

- handled 175,579 telephone and 66,475 office contacts,
- made 21,001 field contacts and 3,279 farm calls,
- organized 627 producer events,
- resourced another 1,065 extension events,
- did 157 television and 774 radio programs and interviews,
- created 1,331 newspaper articles, and
- created 504 newsletters and notices with 699,113 copies distributed.

Rural Development

The Action Committee on the Rural Economy (ACRE) was a major focus for departmental efforts in the fiscal year, 2000-2001. SAF facilitated the process and provided resources, (support and financial) to this industry/citizen committee, charged with developing strategies to advise both the Department of Agriculture and Food and the Government as a whole, on how to effectively meet the challenges of rural economic development.

In January, after intensive consultations with industry and citizen stakeholders, ACRE presented the government with six recommendations for rural revitalization. Programs designed to help farm families take advantage of new opportunities and to manage in their present day operations, and access to high-speed Internet connection for rural communities were among the highlights of this year's Throne Speech. In addition, the Minister of Intergovernmental and Aboriginal Affairs announced an enhanced immigration plan that takes into account recommendations from ACRE. All other recommendations are being examined to determine how to move them into actions.

ACRE will present its final recommendations in the form of a consultation document for discussion by the rural community in the fall of 2001. Following a series of town hall meetings and discussions that will be scheduled across the

province, the committee will present its final report to the Government of Saskatchewan in the spring of 2002.

Agriculture Industry Development and Promotion

During the year, SAF worked with producers and agribusinesses to develop strategies for market development and promotion.

In 2000-2001, SAF undertook the development of several significant market research and intelligence studies for the industry. These reports allow industry members to strengthen their marketing plans and reduce costs of market information gathering. Examples included:

- A market intelligence study for processing bast fibres (long fibres obtained from the stems of crops like flax, hemp and jute) in North America.
- A study of the potential nutraceutical uses of Saskatoon berries.
- Work on the competitiveness of the Saskatchewan herb and spice industry.
- Research on the market for consumer-ready pulse products in North America.
- SAF also answered numerous requests for basic research in areas as diverse as: pet food, hemp, buckwheat, flax oil, fruit wine, mushrooms, pulses, organic foods, bison meat, and Saskatoon berries.

In 2000-2001, SAF initiated a new program entitled 'Agricultural New Generation Co-operatives (ANGen) Program' to provide opportunities for farmers to work together to develop businesses for producing value-added products from their primary production. The Red Deer Cattle Cooperative, an alliance of beef producers who are working to increase the quality and quantity of beef in northeast Saskatchewan, was established with assistance from the ANGen Program.

During the year, SAF also embarked on a number of activities relating to targeting international markets, such as: renewing our federal-provincial partnership known as Trade Team Saskatchewan, participation in the organization of 18 outgoing trade missions, which included Saskatchewan companies as participants, and the organization and hosting of 49 incoming trade delegations, as well as delegates from Mexico, Canada and the US for the Tri-National Accord meetings in Saskatoon.

Agricultural Investment

SAF's Agri-Food Equity Fund (AFEFF) was established in 1994 to stimulate growth of the processing industry in Saskatchewan with an expanded capital base amounting to \$35 million. Since inception, AFEFF approved investments

consisting of over \$19 million in 23 businesses, creating more than 400 jobs and expanding markets for our farm products.

CASE STUDY: AFEF Investment in Popowich Milling Ltd.

- Terry Popowich operated a small oat processing operation located on his farm 16 kilometres west of Yorkton. The company processed and produced a variety of oat products for both retail and wholesale markets in Canada, US and Mexico.
- As a result of developing a flavoured instant oatmeal product line, a packaging plant on Myrtle Avenue in Yorkton was established. In 1996 AFEF made its initial investment of \$200,000 to assist in the purchase of the packaging equipment. The increased sales from the instant oatmeal product line necessitated the construction of a new processing facility.
- On December 5, 1997, AFEF made an additional \$800,000 investment in Popowich Milling Ltd. for the construction of a large commercial oat processing on the northern edge of Yorkton.
- AFEF's investment allowed Popowich Milling Ltd. to leverage other institutional investment and bank financing. The original plant was converted to strictly organic oat processing and the Myrtle Avenue property continues to do the packaging.
- Popowich Milling Ltd. is one of the biggest employers in Yorkton, employing 80 people. The company currently processes 90,000 tonnes of conventional oats and 4,000 tonnes of organic oats providing a market for local Saskatchewan oat producers.
- Popowich Milling Ltd. has recently been sold to Grain Millers of United States. Grain Millers plan to make another expansion to the plant to capture the potential increased market. This will no doubt increase employment, require more oat sourcing as well as increase the total economic benefit to Yorkton and Saskatchewan.
- AFEF's investment has been repaid with AFEF achieving its expected rate of return from the investment.

This year SAF, along with the Government of Canada, funded 162 projects through the Agri-Food Innovation Fund, for a total of \$12.3 million. The Fund was created to promote and support emerging primary production and value-added processing activities within the province. Highlights for the year included the opening of two facilities in Saskatoon that will help the biotechnology and non-food processing sectors of the economy for years to come.

SAF also managed and provided support totalling \$6,771,000 for 66 new projects and 204 ongoing projects under the Agriculture Development Fund's (ADF) research and development component. In addition, the Technology Adoption and Demonstration Program (TAD), which was developed in 1998-1999 to enable SAF to support department planning initiatives and to commercialize agri-food technology of strategic importance, provided \$3.8 million in funding for over 70 projects during the year.

Saskatchewan also places a primary importance on ensuring environmental sustainability and food safety. During the year, SAF implemented a number of programs specific to these areas, such as:

- SAF's participation in the development of a national environmental standards system for the pork industry.
- Partnering with the Department of Labour and producers to provide input to a *Best Practices Guide for Occupational Health and Safety in Hog Barns*.
- SAF also participated in the delivery of year two of the Saskatchewan Pesticide Return Program, and extended the 2000 Crop Residue Burning Pilot Project to include both Regina and Yorkton regions.

Agriculture Support and Risk Management Programs

Although much of SAF's programs are focused on assisting the industry with diversification and value-added initiatives, we recognize that the success of Saskatchewan farm businesses and food industries is strongly influenced by policies implemented beyond our borders. To that end, SAF works to level the playing field for agriculture to enable Saskatchewan producers to compete in a sector so heavily dominated by the treasuries of our trading partners.

Programs, such as the Agricultural Income Disaster Assistance Program (AIDA) and the Canada-Saskatchewan Adjustment Program (C-SAP) provide a measure of assistance to producers who are facing financial difficulties as a result of low commodity prices due to unfair subsidies provided by the United States (US) and European Union (EU), in addition to over-production.

While risk will always present a challenge for all parts of the agri-food industry, SAF assists the industry by participating in programs that are aimed at providing effective management of business risks. Programs like Crop Insurance and the Net Income Stabilization Account provide some security for farm families to invest in their farm business. Both programs are cost shared between the federal and the provincial governments and the producers.

SAF Initiatives and Accomplishments

Saskatchewan Agriculture and Food's operations in 2000-2001 focused on working with farmers and the industry to achieve *Agriculture 2000's* objectives and on providing ongoing programs and services which add value to the sector as a whole. The broad range of initiatives and accomplishments, achieved by our partnerships with the industry, indicates the kind of co-operation and leadership that SAF is dedicated to providing farmers and the agriculture sector.

The resources appropriated by the Legislative Assembly to SAF are used to undertake programs and initiatives that meet the goals and directions of SAF, thereby contributing to SAF's mandate on behalf of the agri-food industry.

Goal 1

Generation of technology for new and better products, increased output, reduced production costs and environmentally sustainable practices.

SAF, through its research and development funding, has a powerful tool to contribute to new technologies and to enhance the knowledge base in agriculture and food industries. There is also a thriving research community in Saskatchewan to build on for the future.

The Saskatchewan Agriculture Development Fund (ADF)

ADF was established in 1985 to fund agriculture and food research and development in the province.

A 13-member Board of Directors, with representation from the provincial government, the research community and the agri-food industry, reviews project proposals received in May and November of each year. The Board selects the projects, which will receive funding.

During 2000-2001, SAF funded 22 projects for a total of \$4,308,000 under ADF's Strategic Research Program Agreement with the University of Saskatchewan. These projects included research into soil biology, conservation, fertility, special crops, traditional crops, biotechnology, animal production, genetics, reproduction, animal welfare, native fruits, value-added processing of meats and crops, agricultural engineering, and animal disease diagnostics and reproduction.

In addition, under the ADF research and development component, SAF managed and provided support totalling \$6,771,000 for 66 new projects and 204 on-going projects

during 2000-2001. The following list identifies recipients who received \$5,000 or more from ADF, and the research and development project that was undertaken:

- Agriculture in the Classroom - \$40,000 to assist the K-12 system to increase their awareness and understanding of the complexities and importance of agriculture with learning brochures, pamphlets and exercise books.
- Alberta Research Council - \$88,000 to assist in three projects that deal with biological control in chickweed, scentless chamomile and to improve seed emergence.
- Biohemp Technologies Ltd. - \$14,580 to develop and maintain a network for in-store market assessments.
- Biolin Research Inc. - \$13,500 for processing and cleaning of flax grown by the Plant Genetic Resources "Gene Bank."
- Calibre Strategic Services Inc. - \$106,500 to conduct an evaluation of SAF Research and Development Programs.
- Canadian Acres Ltd. - \$10,000 for Gourmet Saskatoon berry product development, refinement and test marketing for the Eastern US Market.
- Dave Bauml - \$45,000 in crop weed clipping for organic weed control.
- District No. 32 ADD Board - \$19,000 for research into the optimization of a biological blackfly larvicide in Saskatchewan rivers.
- Farm Animal Council of Saskatchewan - \$5,500 to increase awareness regarding animal welfare issues and to enhance awareness in the age area of nine to 12.
- Henry Perspectives - \$8,434 to review scientific literature on fertilization of coriander, caraway and review scientific literature on manure management in Saskatchewan.
- Infraready Products Inc. - \$30,500 for large scale feeding studies on the use of micronized hullless barley and feed wheat for early weaned pigs; market investigation into Hispanic food manufacturing firms in the US; development of protocols, testing and audit of infraready products as a USDA-approved sterilization facility; to develop a cereal derived anthocyanin-anti-oxidant and food colourant.
- Kapt-AI Services (1988) Ltd. - \$30,000 towards assessment and development of new markets for Saskatchewan value-added alfalfa products.
- Native Plant Society of Saskatchewan - \$26,000 for native prairie mapping to support agricultural resource management.
- Northern Lights Herbs Corporation - \$6,240 for development of a farm scale herb and spice washer/dryer.
- Plant Biotechnology Institute - \$236,061 to carry out work on six projects such as: application of NMR imaging to improve storage and malting of barley; and improvement and application of double haploid technology for the cruciferous crops.

- **Prairie Agricultural Machinery Institute (PAMI)** - \$247,543 for 14 projects including work in areas such as swine manure injection, alfalfa produced for dehy, and agronomic and greenhouse gas comparison of different nitrogen fertilizer management practices.
- **Prairie Diagnostic Services** - \$11,000 for the development of a taqman PCR assay for the detection of *Mycobacterium Paratuberculosis* (Johne's Disease) in feces and milk; and pathotype analysis of *Escherichia coli* isolated from newborn and post-weaning pigs with diarrhea.
- **Prairie Feed Resource Centre** - \$6,000 for the development of an internet database for Saskatchewan feeds.
- **Prairie Plant Systems Inc.** - \$49,000 for propagation and plug delivery system development for polygala senega (more commonly known as Seneca Snakeroot and as a natural source of relief of asthma symptoms).
- **Agriculture and Agri-Food Canada** - \$1,290,813 for research in livestock, forages and breeding crops.
- **Saskatchewan Flax Commission** - \$7,600 for a value added flax fibre and hemp fibre research and development strategic plan for Saskatchewan.
- **Saskatchewan Forage Council** - \$90,781 to conduct research on harvesting methods and effects on relative forage yields and testing of forage crops cultivars/species for adaptation and yield, weed control and harvest management.
- **Saskatchewan Fruit Growers Association** - \$15,000 to create a provincial u-pick promotional strategy.
- **Saskatchewan Herb and Spice Association** - \$44,899 towards upgrading and updating the herb and spice manual; and to assess methods to control blight disease of coriander and caraway.
- **Saskatchewan Llama Association** - \$7,700 to enhance services and benefits to producers in the Wool Pool as well as expand.
- **Saskatchewan Nursery Trades Association** - \$38,400 towards improving nursery production of container and field-grown woody ornamentals; and improving nursery production of container grown herbaceous perennials.
- **Saskatchewan Organic Directorate** - \$18,146 to gather organic production, methodology and expected results.
- **Saskatchewan Sheep Development Board** - \$6,500 to evaluate bone oil as a repellent to predator attacks on sheep, under large flock range management system.
- **Saskatchewan Wheat Pool** - \$10,650 to evaluate a low-fibre/high protein canola processing byproduct in high-cost fish feeds; and to produce fish feed with a highly digestible phosphorus using plant proteins.
- **Saskatoon Colostrum Company** - \$10,000 to develop a specialized bovine colostrum product for elite embryo transfer calves.
- **Seager Wheeler Farm Historic** - \$5,000 to network groups, agencies and individuals with expertise in agricultural extension and education.
- **Shirley, Jim and Code, William** - \$5,500 to evaluate emu meat for specific characteristics which could be identified to enhance marketing choices in the natural health or fitness market place.
- **Shur-Cor Specialty Food Ltd.** - \$7,000 for lamb processing to retail stores in western Canada; and design and carton packaging for frozen lamb products.
- **South West Forage Association** - \$22,000 to demonstrate new techniques for pasture renovations with legumes, practicality of using alfalfa, sainfoin and cicer milkvetch and to test new alfalfa varieties with the effects of fertilizers.
- **University of Saskatchewan** - \$3,568,129 for 104 projects including work in areas such as: feeding whole grain and high grain diets to broiler chickens and turkeys; development of high amylose wheat; dry bean agronomy; and optimizing the dryland production system.
- **Wanda Wolf** - \$8,500 for using Internet technology to market Saskatchewan herbs and spices.
- **Western Beef Development Centre** - \$30,400 to determine the economic costs, pasture productivity and beef gains of traditional and hybrid forages in grazing experiments.

Agri Food Innovation Fund

The Canada-Saskatchewan Agri-Food Innovation Fund, known as AFIF, paid \$12.3M to 162 projects during the 12-month period ending March 31, 2001, which was the fifth full year of operation for the AFIF.

Established in 1995, the Fund was created to promote and support emerging primary production and value-added processing activities within the province.

The \$91-million Fund received two-thirds of its money from the Government of Canada and one-third from the Province of Saskatchewan. This agreement is managed by an industry-driven board of directors who are responsible for making funding decisions, approving projects and administering AFIF.

All of the money has been fully committed to projects in the eight strategic areas determined by the AFIF Board of Directors:

biotechnology	food processing
horticulture	information technology
non-food processing	specialized livestock
special crops	sustainable agriculture

AFIF's mandate has been extended to 2003 in order for projects and programs to be completed. The Fund originally had been targeted to end on March 31, 2000.

Highlights for the year included the opening of two facilities in Saskatoon that will help the biotechnology and non-food processing sectors of the economy for years to come.

- Saskatchewan Research Council's new GenServe Laboratories plant, which received support from AFIF, officially opened at Innovation Place in Saskatoon on April 6, 2000.
- In January 2001, POS Pilot Plant Corporation celebrated a \$1.8 million upgrade to its facilities that allows Saskatchewan's food and pharmaceutical companies to access leading-edge processing equipment and research facilities at a reasonable cost.

In addition, more than 300 academics, agrolologists, government officials and research scientists attended a conference in Regina, in November 2001, to share some of their AFIF-supported project results.

Technology Adoption and Demonstration Program

The Technology Adoption and Demonstration Program was developed in 1998-1999 to enable SAF to support department planning initiatives and to commercialize agri-food technology of strategic importance to the province. The fund supports:

- Strategic programs initiated by SAF that provide critical information for informed decision making.
- Institutional initiatives that strengthen their long-term value as a support mechanism for industry development, and
- Research and development pre-commercialization activities for businesses of strategic importance to the province.

In 2000-2001, a total of 70 projects received \$3.8 M in funding. The following list briefly explains the projects and identifies the recipients of \$5,000 or more from the Technology Adoption and Demonstration Program:

- Agri-Food Innovation Fund - \$150,000 as partial commitment for the establishment of an endowment for ongoing operation of Spoke Sites to facilitate the transfer of agriculture technologies in rural Saskatchewan.
- Harvest Meats Co. Ltd. in Yorkton - \$200,000 to enhance and expand the existing processing facility through the purchase of innovative and state-of-the-art technologies.
- Mitchell's Gourmet Foods Inc. - \$300,000 to assist the company in purchasing a continuous smokehouse for sausage and wiener products and leading edge equipment for their processing plant.
- System Ecotechnologies Inc. - \$30,000 to optimize a process for handling hog manure. The process included capturing ammonia from untreated manure, reducing technology costs to the producer and producing recyclable water.

- Sparks Companies Inc. - \$26,759 to provide a detailed assessment of the procedures necessary for the operation of an Identity Preserved (IP) system for grains and oilseeds in North America.
- Hodgins and Company Management Consultants Inc. - \$20,000 to undertake a study examining the opportunity for Saskatchewan's berry industry to become a supplier to the functional food industry in North America.
- Dr. Peter Fretz - \$9,470 to develop a profile of the Saskatchewan horse industry from a veterinary perspective, with a focus on size and economies.
- Executive Solutions Inc. - \$34,525 to examine various particleboard manufacturing techniques and identify the manufacturing process that represents the best opportunity for development in Saskatchewan in terms of price and profitability.
- Saskatchewan Herb and Spice Association - \$30,000 to assist with printing costs of the association's Herb and Spice manual.
- East Central Research Foundation - \$13,250 to illustrate the economic viability and sustainability of swath grazing in the East Central region of Saskatchewan.
- Provincial Council of Agricultural Development and Diversification Boards for Saskatchewan Inc. - \$21,565 to provide producers with locally based information on the value of hog manure as a fertilizer source.
- Parkland Agro Forestry Products Inc. - \$9,000 to develop an inventory of the privately owned timber resources on land owned by the co-operators.
- Prairie Diagnostic Services - \$55,000 to complete research for a reliable blood test for the elk and deer parasites, *P. Tenuis* and *E. cervi*.
- Ulrich and Associates - \$7,000 to assemble information on all plant breeding programs in Western Canada.
- Saskatchewan Food Processors Association - \$70,000 to educate food processors on specific issues related to business and market development.
- Prairie Plant Systems Inc. - \$300,000 to assemble a team of experts to conduct research on the medicinal uses of cannabis.
- Saskatchewan Elk Breeders Association - \$20,000 to develop a promotional program that will be used to educate the general public on the benefits of domestic elk farm operations in Saskatchewan.
- Saskatchewan Seed Potato Growers Association - \$12,600 to attend trade shows and promote the seed potato industry in Saskatchewan.
- Saskatchewan Bison Association (SBA) - \$71,030 to facilitate the partnership of designated resources from SAF and the SBA and expand services to the Saskatchewan bison industry.
- Lebret Farmland Foundation Inc. - \$10,000 to develop viable agricultural and tourism enterprises that will use the Lebret Farm resources.

- Saskatchewan Beekeepers Association - \$35,000 to research the feasibility of sampling honey to detect American Foulbrood (AFB) disease.
- Parkland Strawboard (1998) Inc. - \$8,000 to perform pre-production trials of strawboard at Alberta Research Council, BASF Laboratory in Michigan and trials at University of Minnesota at Duluth.
- XL Foods Inc. - \$200,000 to expand the production capacity of the beef slaughtering plant in Moose Jaw, Saskatchewan.
- Innovation Consulting Group - \$10,000 to detail the projected growth rates in the herb and spice industry, identify the top ten crops projected to have the greatest market potential and to assess Saskatchewan's capacity to be a viable player.
- Saskatchewan Food Industry Development Centre - \$29,275 to design and deliver a food safety program for small meat processors in Saskatchewan.
- Farm Woodlot Association of Saskatchewan - \$34,000 to increase awareness and adoption of environmentally and socially sustainable agroforestry practices.
- Indian Head Agricultural Research Foundation - \$8,000 to fund start-up costs associated with IHARF's precision farming initiative.
- Saskatchewan's Women's Agricultural Network (SWAN) - \$5,598 to aid in an assessment of farm women's contributions to their communities.
- Saskatchewan Women's Institute (SWI) - \$6,000 to assist in achieving optimum participation by women in rural agricultural communities in agribusiness development, through training and other instruments.
- Philom Bios Inc. - \$150,000 to support research and development activities associated with the development of a unique granular inoculant.
- Saskatchewan Soil Conservation Association Inc. - \$150,000 to assist in an applied research program specific to soil conservation issues.
- Global Recycling Technologies Inc. - \$75,000 to support R&D activities related to a process for recycling the effluent from hog production resulting in the reduction of utility costs, alleviations of odour problems and providing safe and usable byproducts.
- Harvest Foods Ltd. - \$60,000 to develop a business plan for the opportunity to develop a pulse crop research infrastructure at the University of Saskatchewan.
- POS Pilot Plant Corporation - \$100,000 for infrastructure maintenance and repair.
- Sask Pork - \$35,600 to undertake a comprehensive and consultative review of Sask Pork's current governance structure and develop a new structure that will better represent the pork industry of Saskatchewan.
- Westcan Alfalfa Inc. - \$15,000 to create a new line of high-value feed products utilizing existing feed crops grown in Saskatchewan and to promote the use of products in the export market.
- Prairie Island Ingredients Inc. - \$16,346 to scale up the process from bench-scale to pilot-scale deheated mustard production and to test the market for the product.
- Prairie Agricultural Machinery Institute - \$467,506 to upgrade their Management Information System, carry out upgrades at the Humboldt facility and perform consultant's work on a number of other projects.
- Federation of Saskatchewan Indian Nations - \$150,000 to perform general organizational/operational activities and strategic planning for the organization.
- Canadian Environmental Technology Advancement Corporation - \$47,320 to aid in the assessment of manure management technologies.
- Prairie Swine Centre Inc. - \$275,000 to contribute to a research program in the areas of production efficiency, the environment and animal welfare.
- MCN Canola Products Inc. - \$80,000 to aid in the development of feed products from canola meal.
- Canglobal Management Inc. - \$20,000 to gather information to identify new opportunities for secondary processing of pulses in Saskatchewan.
- Dr. L.V. Gusta - \$7,000 to evaluate a laser seed treatment technology and any potential benefits of this technology for Saskatchewan producers.
- Apollo Machine and Products Ltd. - \$15,000 for construction costs of a roller mill associated with the construction and testing of an essential oil extractor.
- Precision Industrial Ltd. - \$10,166 for construction costs of an essential oil extractor.
- Canadian Cattle Identification Agency - \$20,000 to assist a Saskatchewan feedlot and Saskatchewan beef slaughter plant to adapt technology that would allow for provincial participation in a new national beef identification system.
- Harvest Green Botanicals Ltd. - \$157,478 to develop the technology to produce a new alfalfa mini-bale process and product.
- Dura fibre Inc. - \$70,000 to assess the impact of straw variety, agronomic and harvesting variables on oilseed flax fibre processing.
- Poplar Valley Organic Farm Inc. - \$5,000 to explore market opportunities for certified organic horse feed in California.
- University of Saskatchewan - \$80,430 to carry out a number of approved research projects, for example, to evaluate the costs of producing Saskatoon berries in Saskatchewan.

Saskatchewan Beef Development Fund (BDF)

The BDF was established in 1994 to administer the Beef Development Plan and uses funds from two sources: the fund which remained following the termination of the National Tripartite Stabilization Program and the surplus from the Saskatchewan Beef Stabilization Board marketing account. The fund is administered by the Saskatchewan

Beef Development Board, composed of six members appointed by the Minister of Agriculture and Food.

In 2000-2001, the BDF provided support of \$190,869 for 13 research projects related to the beef industry structure, cattle production, nutrition, breeding, disease control and beef processing.

Prairie Agricultural Machinery Institute (PAMI) Support

SAF provided annual core funding of \$768,000 for the 2000-2001 fiscal year to PAMI to carry out research, development, evaluation and extension activities to improve farm machinery and processes. PAMI is increasing its level of activity relating to value-added processes and equipment.

As a result of changes to the PAMI Act and Regulations in 1999, a new agreement was signed in November 2000, between the provinces of Manitoba and Saskatchewan.

Veterinary Infectious Disease Organization (VIDO) Support

SAF provided \$254,073 in funding during 2000-2001 to support research and development by VIDO for research in disease control and vaccine production.

Prairie Swine Centre Inc. Support

SAF provided \$549,355 in funding to support research and development in quality pork production by the Prairie Swine Centre Inc. during 2000-2001.

Horned Cattle Fund (HCF)

The HCF was established in 1939 at the request of the industry to encourage producers to dehorn their cattle. Since 1952, \$2 has been collected from the sale price of every horned animal sold in Saskatchewan. Over the past 35 years, the percentage of horned cattle sold in the province has fallen from 20 per cent to less than 10 per cent. SAF collects the money through its livestock inspection system and uses the fund to support research in bovine health and management techniques as well as agricultural societies and exhibitions.

The fund is managed by the HCF Committee composed of representatives of the cattle industry appointed by the Minister of Agriculture and Food. In 2000-2001, the HCF collected \$139,531 in deductions and \$10,065 in interest. The fund supports cattle production research and product development and market promotion.

In 2000-2001, HCF provided support of \$93,599 for five projects.

Cattle Marketing Deductions Fund (CMDf)

The CMDf was established in 1970 to promote the growth of the beef sector through research, promotion and market development activities. The fund is self-supporting via a "mandatory-refundable" check-off of \$1 per head collected at the time of sale. Cattle producers who do not wish to participate in the fund can request a refund of the previous year's deductions at the end of every January. SAF collects the check-off through its livestock inspection system. Beginning in August 1998, the Fund began an additional \$1 per head mandatory non-refundable check-off. This check-off is collected and placed in a National Account to be used to support promotion and research taking place at the National level.

The CMDf is managed by the CMDf Committee composed of representatives of the cattle industry who are appointed by the Minister of Agriculture and Food. For 2000-2001, the fund collected \$1,437,952 in provincial account check-offs and \$186,121 in interest. The fund supports cattle production, promotion and development activities. In 2000-2001, CMDf provided \$574,708 to support 12 projects.

Research Publications

Results of research projects undertaken with funding from SAF are available from the Agriculture Research Branch. Reports are also available on the Internet at:
www.agr.gov.sk.ca/adf/

Goal 2

Easy and timely access to information and technology, appropriate to the agri-food industry's business management needs.

The body of information, knowledge, and technologies in agri-food industries is literally exploding in growth. SAF will use its information delivery system to meet the goal of putting the right information into the hands of people who need it, at the time they need it. Achievement of this goal will increasingly mean working with industry partners.

Client Service

During the 2000-2001 fiscal year, Extension Service staff:

- handled 175,579 telephone and 66,475 office contacts,
- made 21,001 field contacts and 3,279 farm calls,
- organized 627 producer events,
- resourced another 1,065 extension events,
- did 157 television and 774 radio programs and interviews,
- created 1,331 newspaper articles, and
- created 504 newsletters and notices with 699,113 copies distributed.

Farm Input Price Surveys:

Inputs are one of the most significant costs to a farming operation. In order to assist producers in obtaining the lowest cost inputs for their operation, SAF and the Provincial Council of ADD Boards have undertaken a Farm Input Price Survey. This survey involves over 200 farmer co-operators who provide data on farm input transactions.

The survey is conducted monthly resulting in a monthly report that is available in hardcopy and via the Internet. The information the survey provides helps to illustrate the variability in farm input prices and alert producers to possible pricing opportunities.

The program is jointly administered by the Saskatchewan ADD Boards and jointly funded by SAF and Agriculture and Agri-Food Canada.

Richardson Ground Squirrel and Pocket Gopher Survey

SAF prepared and co-ordinated in collaboration with the Provincial Council of ADD Boards, a Richardson Ground Squirrel and Pocket Gopher Survey for Saskatchewan to quantify the problem in the province. Pest control officers conducted the telephone survey of 1,724 producers, which indicated 82 per cent of farmers surveyed reported "gopher" problems in 92 per cent of the rural municipalities in the province. Crop loss and equipment wear and tear was

reported by over two-thirds of the respondents, while about 20 per cent reported injury to livestock.

Crop, Insect, and Disease Surveys and Control

Staff were involved in numerous surveys including clover cutworm, cereal leaf diseases, canola diseases, lygus bugs, wheat midge, grasshoppers, stubble soil moisture and the ADD Board gopher survey, and fusarium. These surveys serve as an early warning system for the industry. As an example, there were over 300 farmer co-operators who monitored Bertha Armyworm traps and reported results.

Extension Agrologists in a number of locations took actions over the past year to assist producers in combating weeds such as scentless chamomile. This involved consultations with RM councils and producers, as well as release of biological control agents at a number of sites.

An aphid monitoring program was set up for seed potato producers. Aphids are a vector for viral diseases of potatoes. Low incidences of viral diseases are critical to maintaining the high quality of Saskatchewan-produced seed potatoes.

Other activities included:

- The development and delivery of a presentation on noxious weeds for the First Nations Land Managers Conference.
- Initiated an expanded Lygus bug survey to provide information on infestations in Saskatchewan. The 2000 survey provided information on densities and distribution as well as on species composition in the province. It was based on 69 sites.
- Co-ordinated the 2000 insect surveys (Bertha armyworm, Lygus, grasshopper and wheat midge), including interpretation, publication and distribution of survey results. Most surveys are conducted on an annual basis. The Bertha armyworm survey results are updated weekly during the growing season.
- Co-ordinated, summarized and published the results of the 2000 plant disease surveys (canola, cereal leaf disease and fusarium head blight).

Ascochyta Blight on Chickpeas

Chickpea acreage increased substantially across most of the south in 2000 and so did disease problems, particularly Ascochyta. Environmental conditions in combination with high chickpea acres resulted in an abundance of inquiries over a very short period of time. Producers were trying to determine if ascochyta was present in their fields and whether a fungicide application was necessary. With chickpeas being a new crop for many growers and with many producers having little experience with the disease, many demands were placed on SAF extension service staff.

Activities undertaken to address the issue included:

- Media interviews informing producers they should be monitoring their chickpea fields.
- Displaying diseased plants and pictures at the Rural Service Centres (RSC) for walk in clients.
- Farm visits to assist producers in the field with disease identification and spray recommendations.
- One-on-one consultation over the phone, office visits, and field calls. (During a five week period one office received 122 phone inquiries, 44 office visitations, and undertook 90 field inspections).

Cultivated Land Lease Rate Survey

The final report of the Cultivated Land Lease Rate Survey was released – updating the 1998 survey and establishing new benchmark measures related to crop share agreements. The survey database can be used to conduct subsequent surveys at a greatly reduced cost.

Seminars, Workshops, and Tours

The main purpose of these events is to provide producers with information that enables them to address production and management opportunities that occur in their operations. The emphasis of these events focuses on practices that should have reasonable expectations of improving financial performance of the farm operation and at the same time being environmentally sustainable. During 2000-2001, over 200 seminars, tours and workshops were conducted throughout the province, with anywhere from 10 to over 500 producers in attendance.

Crop Reporter Long Service Recognition Awards

The Statistics Branch of SAF administers the Saskatchewan Crop Report through the assistance of 300 voluntary rural crop reporters. In recognition of the contribution made by the crop reporters, SAF provided 5, 10, 15, 20 and 25-year service recognition awards. The 25-year recipients were invited to Regina, where they were honoured at a luncheon by the Minister of Agriculture and Food, as well as recognized for their contribution in the Legislature.

Drought Impact Analysis

An analysis was undertaken respecting drought in western Saskatchewan. The province assisted the federal government in the designation of areas under the *Tax Deferral for the Drought Induced Sale of Livestock Program*. This program allows producers in the designated areas to defer income tax in the event a cow herd has to be sold because of drought conditions.

Publications

Six new fact sheets were developed and another nine were updated and reprinted. The *Varieties of Grain Crops* and the *Forage Production Guide*, which list the regional variety testing results, are two major publications produced each year. Publications printed/reprinted in 2000-2001 included:

- 2001 Guide to Crop Protection
- Aster Yellow Disease
- Ascochyta Blight of Chickpea
- Best Management Practices when Harvesting Surplus Cereal Straw
- Fertilizer Management for Production of Perennial Forages in Saskatchewan
- Managing Manure as a Fertilizer
- Securing Low Erosion Risks after Growing Pulses and Oilseeds
- Questions and Answers about Precision Farming
- Cabbage seedpod weevil
- Flea beetle
- Wheat midge

Livestock Development and Manure Management

SAF is playing a lead role in the development of common environmental standards for large hog barns across the prairie provinces in the areas of site characterization, manure storage construction and design and manure utilization. Guidelines are being finalized in each area and will be available for use following a targeted consultation process.

SAF staff provided leadership in developing a common database of manure and environmental research projects being conducted throughout the Canadian prairies. The database will be used for strategic planning purposes and to increase effective use of research dollars across the region.

SAF has worked with the other prairie provinces in developing manure management software. The annual planner is designed so that manure recipients can easily and effectively create their application plans.

SAF continued to work in partnership with the "Manure Management Working Group" which represents a variety of commodities. This group developed a Research Strategy for Manure Management and is in the process of revising their initiatives and focus.

Working With Producers

SAF provides a wide range of information programs targeted at both development and production issues. Programs delivered in 2000-2001 included the provincial wide Pork Industry Symposium and Pork Expo in conjunction with Sask Pork. The annual symposium is considered one of the leading pork seminar programs across Canada.

Staff are participating in the development of a national environmental standards systems for the pork industry. This was initiated by the Canadian Pork Council and is being led by the Canadian Standards Association. It involves a wide range of stakeholders from producers through to consumers. Staff worked with the Saskatchewan Stock Growers Association and the Saskatchewan Cattle Feeders Association, and agribusiness on the delivery of Calving Management, Quality Starts Here (QSH) and National ID extension events. There is now a high level of acceptance for the National ID Program as farmers are realizing the importance of the QSH program as they produce a food product that must be acceptable to consumers. A livestock agrologist led in the planning and design of Cattlemen's Calendar and Pocket Record Book publications as part of his advisory role with the Saskatchewan Quality Starts Here Working Group. These publications were distributed widely throughout Saskatchewan.

The Red Deer Cattle Cooperative is an alliance of beef producers who are developing an opportunity to increase the quality and quantity of beef produced in northeast Saskatchewan. With assistance from the ANGen Program and under the direction of a livestock agrologist, they are creating a business plan for an investment herd of 1,000 or more cows. The cows will be custom fed and cared for by existing producers and all progeny will be fed to a branded market. The project includes an analysis of economies of scale, alliances in the beef chain, a genetic plan, and an opportunity to attract investment in primary and secondary agriculture. One option being embraced by cow-calf producers, investors, feedlots and packers is to create larger cow herds and address market inefficiencies. Information on the project has been presented at seven livestock conferences and to two Agriculture Development and Diversification (ADD) Boards. In addition, the project has been featured in several daily, weekly and monthly magazines and newspapers. Requests for information have come from across western Canada. SAF provided leadership in bringing the producers together, acquiring funding support, advising in technical production, marketing and genetics and in planning.

Work continued on the seed potato industry in the northeast. Some activities included:

- the second year of the AFIF Project on weather Monitoring Systems for Forecasting Late Blight Disease in Potatoes was concluded;
- three weather sites were set up as a part of the 12-site provincial monitoring system, producers use the data to determine when spraying for Late Blight fungicides should occur;
- a summer student was hired to collect plant samples as part of the provincial program for Certification of Saskatchewan seed potatoes as disease free for leaf roll diseases which is needed for exports to Europe and Asia;

- a potato production and marketing seminar was held in Nipawin; and
- the Seed Potato Opportunity Area Committee is working on disease protocols and product marketing to ensure a steady growth for this industry.

Two vegetable projects took place during 2000, both involving development of the vegetable industry. One project involved production of cabbages on six acres. The other project undertaken was to evaluate the commercial production of carrots and onions. Five co-operators seeded five acres of carrots and four and one-half acres of onions. Sixty people attended an August field day to view the projects.

Over the past few years, Extension Service agrologists and the GAP T Rangeland Agrologist have encouraged producers in various communities to form Forage, Livestock and Grazing producer clubs (FLAG Clubs). Six clubs have formed in the Southwest – Consul, Tompkins, Elrose, Killdeer, Old Wives and Eastend. These groups consist of eight to 30 producers. Extension Service staff work with these clubs on an ongoing basis. They assist in enabling members of the clubs to identify needs, set priorities and develop programs to meet their goals. They make presentations, lead discussion and/or arrange for guest speakers.

Topics addressed at meetings during the year included rations, feedlots, pasture conditions, rejuvenation, seeding, fencing, Quality Starts Here, National ID program, and drought proofing. Summer tours were organized to visit some of the farms and ranches that have implemented various practices. Clubs often open their programs to the ranching/farming public thereby increasing the impact of this very effective extension method.

Southwest CSRs organized four Agriculture Information Day seminars for farm women in Moose Jaw, Assiniboia, Shaunavon and Maple Creek. Topics for the seminars included "Growing Herbs and Spices", "Exploring Business Opportunities" and "Humor and Your Health – Motivating for Action." Over 120 women attended. Evaluations were very positive and supported the development of future seminars targeted for farm women.

SAF assisted the Saskatchewan Herb and Spice Association with editing the *Herb and Spice Production Manual*, an industry publication that provides producers with production and market information on a wide range of herb and spice crops.

The Oilseed Extension Committee—with representation from the canola, flax and mustard industries, government agencies and research institutions—was established to coordinate oilseed extension programs in the province.

Assistance was provided to the Saskatchewan Greenhouse Growers Association in carrying out a survey of the

Saskatchewan greenhouse industry. The association obtained CARDS funding for this project.

SAF specialists worked with producer organizations to begin the development of a check-off for the herb and spice, mustard, hemp and sunflower industries.

Assistance to General Agricultural Interests

SAF provides for financial assistance and support to various organizations that facilitate the development, expansion and diversification of the agricultural industry. The following list identifies organizations that received assistance of over \$5,000 in 2000-2001.

- ADD Boards - \$498,412 in grants were provided in relation to the fieldworker program, which provides funding for co-ordinated pest control programs, with the largest being rat eradication.
- District #32 ADD Board - \$125,000 grant to assist in the co-ordinated control of black flies in the Prince Albert region.
- Canadian Western Agribition - \$43,480 including sponsorship of the Taste of Saskatchewan Program and hosting the Saskatchewan Day at the International Business Centre.
- Centre for Agricultural Medicine - \$95,000 grant to assist in the expansion of extension programming.
- \$86,366 was provided to Crown land leaseholders in compensation for the disturbance and loss of production that oil and gas easements and drilling caused on Crown land.
- Agriculture Biotechnology International Conference - \$25,000 sponsorship of the conference.
- Royal Red Arabian Horse Show - \$10,000 to assist in hosting this prestigious event in Regina.
- Agriculture in the Classroom Program - \$25,000 grant for administration to assist with use of the Green Certificate Program as the on-farm training part of the curriculum. Students can earn a total of three credits towards a high school diploma.
- Canada Pork International - \$20,000 operating grant, including a CPI membership.
- Provincial 4-H program - \$300,000 administration grant. SAF also provides significant in-kind support, such as office space and equipment.
- University of Saskatchewan - \$10,200 grant to operate a horticultural hotline in the area of non-commercial horticulture.
- Saskatchewan Stock Growers Association - \$10,000 annual administration grant for the Prairie Conservation Action Plan, which looks at the proper management of prairie ecosystem. SAF also provided the Saskatchewan Stock Growers Association with sponsorship funds of \$4,000 towards their annual convention held in Moose Jaw on June 1-3, 2000 and Weyburn on June 3-5, 2000.
- Y2K Canadian National Hereford Show - \$10,000 to sponsor the hosting of the show.
- Agriculture and Agri-Food Canada - \$8,054 in support of the review of appropriate performance criteria and analysis of the Veterinary Infectious Disease Organization (VIDO) operations and business plan.
- SWAN - \$2,000 grant to assist with their winter conference "Women Helping Family Farms Prosper." SAF also provided SWAN with a \$10,000 administration grant.
- The Saskatchewan Council for Community Development - \$5,000 administration grant. This organization works towards developing a vibrant social environment, optimal economic support and an enriched quality of life for Saskatchewan residents.
- The Canadian Beef Export Federation - \$20,000 grant to assist with activities to increase Canadian beef exports. SAF also provided \$22,500 to this organization for an annual sponsorship and membership.
- Saskatchewan Sheep Development Board - \$40,000 administration grant to assist in developing the sheep industry in the province. An additional \$20,000 was provided to assist the Sheep Development Board with the livestock predation intervention office pilot project.
- Saskatchewan Meat Processors Association - \$6,000 grant for sponsorship of an innovative meat competition at Agribition and transition financing for the publication of their magazine.
- Saskatchewan Agrivision Corporation - \$10,000 grant to assist with the costs of their annual convention, as well as for an annual membership.
- Saskatchewan Alfalfa Seed Producers Association - \$10,000 grant to establish specialist services in the leafcutting, bee and alfalfa seed industry.
- The Saskatchewan Bison Association - \$10,750 grant to supplement the costs of activities related to developing the bison industry in the province and to sponsor Field Day 2000.
- District 1 ADD Board - \$30,000 grant towards a pilot project intended to provide counselling assistance to farm families and co-ordinate access to existing resources.
- Saskatchewan Wetland Conservation Corporation - \$5,000 grant to assist with the printing costs of the Saskatchewan Riparian Classified Guide.
- The Saskatchewan Agriculture Hall of Fame - \$5,400 grant. The Hall of Fame plays an important role in our industry, honouring those who have made a substantial contribution to agriculture.
- The Saskatchewan Institute of Agrologists - \$7,000 grant for sponsorship of "Agriculture and Food" month.
- Southwest Sheep Grazers Co-op - \$11,126 operating grant.

Farm Stress Unit

The Farm Stress Unit operates the toll-free Farm Stress Line, manages the Saskatchewan Human Services Directory, and acts as a resource to rural Saskatchewan on farm stress matters, issues, and challenges facing farm people. As in past years, the unit has served as a resource to rural Saskatchewan on farm stress matters, and other issues and challenges facing farm people.

The Farm Stress Line received 1,491 calls in the 2000 calendar year. This was a 17 per cent decrease over 1999, but a seven per cent increase over the average number of calls received in the years 1992–2000.

Financial issues were addressed in an estimated 34 per cent of the calls including discussions on insolvency, collection actions and bankruptcy. Callers also addressed the issue of stress and burnout, as well as a wide range of personal, relationship (marital) and family issues.

In addition to this service, the unit manages "Connections", (formerly the Saskatchewan Human Services Directory) a directory of business and human services for Saskatchewan. Whenever possible, the Unit took advantage of opportunities to profile the Directory. One outcome of these opportunities was the drafting of a letter of understanding between SAF and the Saskatchewan Council of Senior Federal Officials Secretariat. The letter allows for the development of a working relationship between the Federal Council and the Farm Stress Unit to share information between the "Connections" directory and the "Aboriginal Services Kiosk" (ASK directory) leading to the provision of a more comprehensive directory for all Saskatchewan residents. The Farm Stress Unit also participated in a promotional tour of the ASK directory, promoting "Connections" as well. The tour drew attendance from the general public, First Nations and government agencies.

The Farm Stress Unit also distributes "Farming in Difficult Times" kits. These kits contain a wide range of information that allows farm people to respond to the various challenges they may be facing. The kit includes information on human dimensions of agriculture, as well as information on farm financial matters.

Beginning in late September, the Farm Stress Unit took over the operation of the SAF Inquiry Line. Between that date and March 31, 2001, the Inquiry Line received 2,869 calls, averaging close to 475 calls per month.

Agricultural Institute of Management in Saskatchewan (AIMS)

AIMS is a federally funded non-profit organization that supports the development and delivery of farm business management information, training and support. AIMS and

its partners (private consultants, producer clubs, industry organizations, University of Saskatchewan, Saskatchewan Institute of Applied Arts and Sciences, regional colleges and SAF) continue to deliver farm business management information to Saskatchewan farmers.

In 2000-2001, ongoing program areas included: Consultant Workshop Program, Speaker/Conference Sponsorship Program, Seminars and Workshops, and Market Prospects. In 2000-2001, 17 farm and industry managers completed the Agribusiness Management Development Program. This program was modified by Olds College in Alberta and offered to the Alberta agricultural industry this year.

During the year, AIMS supported 231 consultant workshops and 35 speaker/conference events.

Green Certificate Program

The Green Certificate Program provides farm managers with a structured training curriculum for conducting staff training on Saskatchewan farms. It was accepted as an on-site training program under the Future Skills/Job Start program in 1999-2000.

Farm workers can obtain certification for mastery of practical, hands-on skills essential to the basic operation of a farm. Program objectives are to make farm managers more aware of the farm management training resources available and to train individuals to competently fill key roles in the farming industry. One hundred and twenty-two certificates have been awarded to Green Certificate Program trainees since inception of the program.

From April 2000 to March 31, 2001, 75 new trainees enrolled in the program. This is a substantial increase and is due to more high schools becoming involved with this program. This trend will continue and will lead to high school students having a better understanding of the agricultural industry and the career opportunities within the industry. Beef cow-calf and feedlot courses continue to be the main focus for the students enrolling in the Green Certificate Program.

In 2000-2001, the Green Certificate Program partnered with Cumberland Regional College, Cypress Hills Regional College and Prairie West Regional College to provide Green Certificate training in partnership with the Job Start/Future Skills program on three individual farms and a feedlot enterprise. It also partnered with Prairie West Regional College, high schools and Extension Service Branch to deliver Calving Management seminars and Veterinary Techniques seminars.

Goal 3

Unique and innovative financing to meet capital needs for diversification and adding value to agriculture.

SAF has moved from providing general financing for multi-purposes to a more targeted approach that meets goals in the marketplace. Meeting the goal will be particularly important to move in the direction of value-added agriculture in Saskatchewan.

Agri-Food Equity Fund

The Agri-Food Equity Fund (AFEF) was established in 1994 to stimulate growth of the processing industry in Saskatchewan with an expanded capital base amounting to \$35 million. Since inception, AFEF approved investments consisting of over \$19 million in 23 businesses, creating more than 400 jobs and expanding markets for our farm products.

AFEF provides patient venture capital and business development consultation services to companies or co-operatives that process primary agricultural products, market and distribute processed products, supply inputs to processors or farmers and produce or supply non-traditional primary agricultural products.

The goal for each investment is to provide capital for an eight-year period, at which time AFEF would divest itself of the investment. Revenues generated from investments are returned to the fund for reinvestment in other value-added opportunities.

AFEF specializes in four major sectors: Food Processing, Non-Food Processing, Knowledge-Based Industries and Equipment and Machinery. The fund not only provides patient capital in the form of equity financing, but also offers unbiased business expertise and advice.

In fiscal year 2000-2001, AFEF disbursed investments in debentures, common shares and preferred shares totalling \$5,855,000.

Durafibre Inc.	\$1,850,000
Melville Seed Processors Inc.	120,000
Nutravim Nutraceuticals Ltd.	135,000
Parkland Strawboard (1998) Inc.	1,000,000
Schneider's Popcorn Parties Ltd.	50,000
TML Foods Inc.	1,700,000
Worldwide Pork Company Ltd.	1,000,000

During the fiscal year, AFEF earned revenue of \$309,000 (not audited) from interest, dividends, administration fees, and gains on investment; and had investment principle of

\$1.026 million redeemed to the fund. These revenues and redemption are available for future investment.

As of March 31, 2001, \$16.9 million of the original \$35 million authorization remains available to the fund for investment. AFEF will continue to access these funds as required, through a loan from the province.

Livestock Loan Guarantee Program

The Livestock Loan Guarantee (LLG) Program assists Saskatchewan residents to establish production associations and to borrow funds on the strength of a government guarantee to the lender and the association's assurance fund. The funds are used by the association to purchase cattle, sheep and feeder bison.

Program statistics:

	99 - 00	00 - 01
Number of cattle associations	128	128
Number of members	6,000	6,600
Loan Guarantees	\$30M	\$31.5M
Feeder Cattle purchased (head)	135,300	136,800
Value of Feeder Cattle purchased	\$93.3M	\$121.8M
Breeder Cattle purchased (head)	26,700	30,700
Value of Breeder Cattle purchased	\$28.1M	\$35.7M
Feeder Bison purchased (head)	204	830
Value of Feeder Bison purchased	\$214K	\$811K
Breeder Sheep purchased (head)	1,972	1,617
Value of Breeder Sheep purchased	\$286K	\$226K

In 2000-2001, two new bison associations were established to finance the purchase of feeder bison.

Livestock and Horticultural Facilities Incentive Program

The Livestock and Horticultural Facilities Incentive Program provides an annual rebate of the Provincial Sales Tax paid on building materials used in livestock operations, greenhouses, or vegetable and raw fruit storage facilities. The rebate program continues to promote the expansion and diversification of the agriculture sector. The program was extended for an additional three years to December 31, 2003.

During the 2000-2001 fiscal year, the total number of applications received by the department and the total refund amount included the following:

Type of Application	# of Applications	Total Refunds
Hog	52	\$952,500
Cattle	113	198,000
Dairy	27	104,000
Poultry	21	118,000
Bee	14	16,000
Other	38	31,500
Total	265	\$1,420,000

Goal 4

Enhanced productivity and sustainability of agricultural resources to ensure sustained business opportunities.

SAF manages directly over eight million acres of Crown land, which offers opportunities for continual improvements in productivity. In addition, through research technology transfer and appropriate regulations, SAF contributes to the goal of ensuring productive and sustainable use of the vast natural resources agriculture relies upon.

Crown Land Administration

SAF managed approximately 7.571 million acres of Crown land in 2000-2001, including:

- 6.004 million acres of land classified as agricultural (cultivated, forage, and native), and
- 1.567 million other acres (composed of 77,975 acres of non-agricultural land such as oil and gas leases, quarry, public and commercial land; 152,200 acres of land under agreement for sale; 798,474 acres of provincial pasture land; 456,733 acres of Prairie Farm Rehabilitation Administration (PFRA) pasture land; and 81,541 acres of vacant land.) In addition, over three quarters of a million acres of land under water bodies belong to the Crown and are administered by SAF.

SAF realized income of \$29,452,838 from Crown land administration (excluding the Pastures Program Revolving Fund) that included:

- \$16.6M - Rent on cultivation, hay and grazing leases
- \$6.3M - Petroleum and gas leases
- \$4.4M - Other land revenues and administration fees

Multiple Use of Crown Land

Multiple use of Crown land continues to expand in an integrated fashion, often coexisting with traditional agricultural use. The following new initiatives occurred in 2000-2001:

- The Crown Land Stakeholders' Forum, which began in 1999-2000, held two meetings and a field trip in 2000-2001. Relationships began to develop and meaningful discussions on divisive issues resulted in a better understanding among the stakeholder groups.
- A unique grazing arrangement was agreed to with the Southwest Sheep Grazers Co-operative Ltd. enabling them to take over the operation of the Tompkins Sheep Pasture. This arrangement helps foster the growth of the sheep industry, allows the members of the co-operative

the ability to directly manage their sheep for the summer months, and frees up department resources.

- Several land use planning initiatives began in 2000-2001. These plans provide local interest groups and organizations with the ability to provide input into how major land areas are managed. Discussions began on land areas in Chioiceland, Stove Creek, Mistatim, Cypress and Mistawasis.
- Lands Branch expanded its ecological monitoring project into the boreal forest and parkland zones. Similar to what occurred in the prairie zone in the previous year, an improved procedure was developed in co-operation with the Saskatchewan Research Council for these areas. Information gathered by this method will provide an ongoing score card of the health of lands under native vegetation.
- In co-operation with Sask Power, SAF developed a new option for reclaiming land after coal mining.

Lease of Crown Land

Each year Lands Branch advertises vacant Crown lands for lease. In 2000-2001, 376 parcels containing 46,113 acres were advertised and subsequently allocated.

In 2000-2001, 246 leases expired covering a total of 129,482 acres. The majority of these leases were renewed to the existing lessee. Lessees of Crown land are allowed to assign their leases under certain conditions.

- In 2000-2001, there were 150 family assignments covering 80,969 acres of Crown lease land. The average transfer was 540 acres.
- In 2000-2001, there were 98 assignments of Crown lease land between vendors and purchasers representing 44,070 acres of Crown lease. The average non-family assignment was 450 acres.

Sale of Crown Land

Each year, Lands Branch conducts a tender sale of vacant land that is surplus to our needs. In 2000-2001, 111 parcels covering 8,719 acres were sold by tender. This generated \$2.7M in revenue.

Treaty Land Entitlement (TLE)

Lands Branch continues to provide First Nations with a Treaty Land Entitlement (TLE) with opportunities to obtain Crown land, where third party interests are settled.

In 2000-2001, a total of 4,177 acres sold generating revenue of \$646,035. This brings the aggregate total of Crown land obtained for TLE purposes to 94,415 acres since July 1997.

Saskatchewan Pasture Program

The Saskatchewan Pasture Program (SPP) is operated under the Pastures Revolving Fund, which allows the Pastures Program to operate in a more business like fashion allowing for revenue from the pastures program to cover the expenses of the program.

The Pastures Program manages 54 provincial cattle pastures and one sheep community pasture, comprising 798,000 acres of land. In 2000, 2,500 individual livestock producers had 68,140 adult cattle, 55,358 calves, 2,423 ewes and lambs and 519 horses and colts grazing during the summer. In addition, wintering programs handled 1,127 bulls for the whole season, 543 replacement heifers from November until April and 1,200 cows from November until just before calving time.

The seventh year of the revolving fund ended on March 31, 2001. The revolving fund allows for greater flexibility in pasture operations and client service. Total revenue last year was \$6.3M. This compares to 1999 revenue of \$5.5M. The accumulated deficit is \$729,350 as compared to \$797,000.

The SPP has improved many operating facilities including: buildings, corrals, fences, and has improved forage production through breaking and reseeding, fire, mowing, fenceline clearing, resting and cross fencing. SPP has hired additional riders to help meet daily demands. SPP has been pushing the entire infrastructure, including the grass, to be sustainable, in order that cattle numbers at pasture can be slowly increased. Additional services and increased bull wintering have been provided for the patrons' benefit.

At the start of the 2000-2001 fiscal year, the SPP was under the Conservation and Development Revolving Fund that was established pursuant to Section 16 of *The Department of Agriculture and Food Act*. The Conservation and Development Revolving Fund was renamed to the Pastures Revolving Fund, pursuant to Section 7 of *The Pastures Act*. *The Pastures Act* was proclaimed in August, 2000.

An independent review was established following the death of 69 head of cattle at the Meyronne pasture. This review was mandated to investigate the cause of these deaths at Meyronne, as well as make recommendations on the overall operations of the SPP. A report is expected in 2001-2002.

Goal 5

A regulating environment that enables growth through high quality products, food safety, environmental protection and market access.

The conduct of all economic activity requires a set of rules that protects the interests not only of those directly involved in the activity, but those people who use the product and also those potentially affected by the activity. Without these rules, the economic activity itself would simply not be sustainable. SAF seeks to find simple and effective rules, and ones that manage impacts and maintain market access, for the purpose of generating growth and diversity in agri-food industries.

Food Safety and Quality Assurance

SAF supports delivery of national on-farm food safety programs, including infrastructure development, training and education, and persuading groups to begin program development. Technical expertise is also provided to national development and communication plans within the Canadian On Farm Food Safety program.

SAF is a participant in a number of federal-provincial teams working together to improve the regulatory environment for food production in Canada. Areas of specific focus include meat, dairy, horticulture and on-farm production. Over \$600,000 from the Agri-Food Innovation Fund (AFIF) was allocated to assist provincial groups with national on-farm food safety programs including pilot projects, education and producer communication. SAF supports official "recognition" of on-farm food safety programs from the Canadian Food Inspection Agency (CFIA) to ensure international credibility, and continues to assist in building national assessment procedures. Over 12 commodity groups continue to develop national on-farm food safety programs in the livestock and horticultural sectors. SAF continues to promote this concept to other groups, including the grains and specialty crops sectors. Market access and increased consumer confidence with appropriate government oversight is the goal.

Over the past year, SAF has experienced a surge of activity in its contribution to the area of food safety and quality assurance. The following activities ensure consumers have access to a safe and high quality food supply that will allow the Saskatchewan agri-food businesses to compete.

- The development of a training package called *FoodSTEPS: Processing Meats Safely*. *FoodSTEPS* is in a correspondence format for the convenience of the province's non-federally registered meat processors.
- The department established the Video Loans Program for processors. The program offers technical videos centring on food safety and quality issues.

- The creation of a Quality Assurance communications network. This network disseminates the latest technological ideas from around the world to various Quality Assurance personnel in the Saskatchewan meat industry.
- SAF began publication of "SASK Food News." This publication includes a summary of the latest processing and marketing news from around the globe and is circulated to the food processing industry.

Disease Surveillance Unit

The Disease Surveillance Unit was established in March 1998 to provide disease surveillance information for the province. The Unit has two veterinarians, one of which is the provincial veterinarian. Some of the activities of the unit during the year included:

- Completion of *The Animal Protection Regulations, 2000*.
- Assisted the department in developing and administering the Saskatchewan Cervid Health Surveillance Program for Chronic Wasting Disease (CWD).
- Collected Saskatchewan data for national statistics on the number of animals examined for Transmissible Spongiform Encephalopathies (TSEs), which includes CWD, Bovine Spongiform Encephalopathy (BSE), and Scrapie. Statistics are necessary to ensure our trading partners adequately scrutinize for these diseases, particularly BSE.
- Provided leadership and articles for quarterly newsletter the "Expositor" which is jointly put out by PDS and SAF and informs veterinarians, government, livestock associations, other diagnostic veterinary laboratories and veterinary colleges on disease issues in Saskatchewan, SAF livestock projects, current testing procedures, etc.
- Networking with Animal Health and Welfare Partners and participation on a number of committees including: the Saskatchewan Veterinary Medicinal Association (SVMA) Council, the SVMA Welfare Committee, the Canadian Animal Health Consultative Committee (CAHCC), the Canadian Animal Health Network (CAHNet), the CAHCC Disease Surveillance working group, the Saskatchewan Advisory Council on Animal Health and Humane Care, the SSPCA Investigative Services Committee, *Expositor* and the National Production Limiting Diseases Committee.
- Provided guidance and leadership on veterinary and animal welfare related issues.
- Responded to animal health partners, the public and SAF by telephone, and made presentations at meetings as well as wrote articles on various disease issues including CWD and Foot and Mouth Disease.
- Participated in Risk Assessment Committee to evaluate disease issues associated with importing animals into the province.
- Involved in developing import protocols for game-farmed animals.

- Involved with the quarantine, eradication and cleaning and disinfecting of one commercial layer flock in November 2000 due to an outbreak of Infectious Laryngotracheitis (ILT).
- Worked with provincial emergency planning and initiated the review of Foreign Animal Disease emergency response for the department.
- Initiated and participated in developing a computerized surveillance data collection program for Prairie Diagnostics Services (PDS), the veterinary diagnostic laboratory in Saskatchewan, which will enable easier and timelier retrieval of statistics on diseases in Saskatchewan, including TSEs.
- Initiated a survey of four diseases in Saskatchewan dairy cattle (Johnes, Neospora, Bovine Viral Diarrhea, and Bovine Leukosis Virus), involving approximately 2,000 head of cattle. The survey will become part of national results from the Production Limiting Diseases Committee.

Dairy Laboratory

The Dairy Laboratory analyzes raw and processed milk samples for composition and quality. The Saskatchewan Milk Control Board and dairy processors use composition results to purchase milk from producers. The Milk Control Board was invoiced \$2.00 per sample for 19,693 milk samples received between January 1 and December 31, 2000. Quality results are used to monitor regulatory compliance under *The Animal Products Act* and *The Public Health Act*.

Some of the activities of the Dairy Laboratory during 2000 included:

- Participation in the formation of the Federal-Provincial-Territorial Dairy Technical Equivalency Committee. The purpose of the committee is to develop, implement and maintain a dairy production and transport framework for the assessment of delivery systems of the Production Section of the National Dairy Regulations and Code to determine equivalency between jurisdictions.
- Participation on the Canadian Quality Milk steering committee and technical task team to develop an On-Farm Quality Assurance program for dairy.
- Provided in-depth analysis of producer components and auditing of the component section of the milk pay system.
- Maintained Standards Council of Canada laboratory accreditation.
- Participation on a number of committees, including, the National Dairy Council Technical Committee, National Liaison Group on Milk Product Quality, International Dairy Federation-Canada, Agribition - Dairy and Agri-Ed Committee.
- Issued 359 Milk Producer licenses, two Dairy Manufacturing Plant licenses and 41 Milk Transport Operator licenses.

- Provided composition and quality testing for three dairy goat herds and one goat milk processing plant.

Crop Protection Lab

SAF's Crop Protection Laboratory offers a wide range of diagnostic services to assist in the identification of pest problems associated with the production of field, horticultural and greenhouse crops.

Due to the detection of antibiotic-resistant American Foulbrood in Canada, funding was announced for a field inspection program and lab honey-testing program (Crop Protection Laboratory) to monitor for American Foulbrood in honey bees. A limited inspection program began in 2001. To date, antibiotic-resistant strains of this disease have not been found in Saskatchewan.

The Crop Protection Laboratory diagnosed 1,015 submissions in 2000-2001: weed 82, insect 67, plant disease 493, Dutch elm disease 313, herbicide resistance screening 161.

During the winter of 2000-2001, the laboratory successfully over-wintered the scentless chamomile biocontrol agent, *Ompahalion hookeri*, a seed weevil. The laboratory also prepared the materials for provincial insect and plant disease surveys.

Pest Control

During 2000-2001, SAF staff undertook a number of actions regarding pest control and regulations:

- Issued 1,867 pesticide applicator licenses, 389 pesticide vendor licenses and 541 pesticide service licenses.
- The Pesticide Investigator investigated 90 public complaints related to the improper or misuse of pesticides.

Livestock and Brand Inspection Services

The Livestock Services Revolving Fund was established on June 25, 1996, pursuant to Section 17.1 of *The Department of Agriculture and Food Act*. The revolving fund's purpose is to operate the brand inspection program, the livestock inspection program, the dealer licensing program and collection services for the Horned Cattle Fund and Cattle Marketing Deductions Fund. Activities in 2000-2001 included:

- Provided livestock inspection services at 40 auction markets, 20 feedlots, one major packing plant and six abattoirs to confirm ownership of livestock being sold.
- Worked with Rural Municipality Administrators, the Saskatchewan Society for the Prevention of Cruelty to Animals (SSPCA), the Saskatchewan Highway Traffic Board and the Royal Canadian Mounted Police (RCMP).
- Inspected 1,521,023 animals on 143,705 manifests. Entered this data into the Livestock Information Management System, along with 5,380 manifests on 91,640 animals that went to Alberta.

- Provided documentation of livestock movement on 55,834 permits and entered the data.
- Conducted 252 computer system searches for 831 head of missing livestock.
- Collected livestock inspection fees, cattle marketing deductions (check-off) and penalties for marketing animals with horns.
- Issued \$97,613 in provincial cattle check-off refunds to 614 producers.
- Renewed 3,621 four-year livestock brand registrations, issued 728 registrations for new four-year brands, registered 267 lifetime brands and transferred 301 brands. Maintained the provincial brand registry of 19,550 registered brands.
- Issued 164 Livestock Dealer licenses and verified their bonds and issued 204 Agent licenses.
- Completed voluntary agreements with 18 un-inspected abattoirs to submit manifests for livestock delivered for slaughter and paid them \$2,432 in commissions.
- Promoted the use of producer numbers on manifests to reduce the amount of time required for data entry of manifests and the creation of duplicate producer numbers.
- Transferred entry of livestock permit data and management of the database to Statistics Branch, which utilizes the information for tracking cattle movement.
- Established a new reporting system for the Investigation Unit for accurate and detailed reporting of complaints.
- Established a new tracking system for irregularity reports within the brand inspection program.

Game Farm Program

Saskatchewan has 574 game farm operators. The department carried out a number of activities during 2000-2001 resulting from the Game Farm Program:

- Issued 445 export certificates to facilitate the movement of game farm animal products within Canada and to the United States.
- Maintained a database for the inventory of game farm animals and distributed 2,743 ear tags directly and 9,566 ear tags indirectly, through the Saskatchewan Elk Breeders Association (SEBA), to the game farm industry. These tags and records minimize the potential for:
 - the illegal harvest of Crown wildlife to stock game farms;
 - the spread of disease through interaction between farm-raised stock and native wildlife populations; and
 - the competition for habitat by escaped farm-raised stock with native wildlife populations.
- Issued credits for 62 unused plastic ear tags for non-elk species to encourage producers to return them.
- Issued 28 import permits for 534 live game farm animals; 1,399 straws of semen were imported on 71 permits; nine export permits were issued for 60 live animals; and, five export permits were issued for 825 straws of semen.

- Provided regulatory support to 19 fur farms by licensing and inspecting farm facilities and ensuring proper animal welfare of farmed species.
- Issued 22 poultry licences.
- Initiated and developed a survey about the service provided and price charged by SEBA for elk ear tags, which was conducted and compiled by SAF's Statistics Branch.

Cervid Health Surveillance Program for Chronic Wasting Disease

The Cervid Health Surveillance Program for Chronic Wasting Disease was implemented in January 2001. Applications to join the program were received from 269 game farms and physical inventories were completed on 117 herds.

Agricultural Operations

Standard operations and accomplishments of the Agricultural Operations Unit included:

- Forty-five Intensive Livestock Operations (ILO) approvals were issued representing \$19 million of capital value.
- Coordinated a meeting with SERM regional staff to enhance communication between SAF and SERM regarding ILOs.
- Collected water samples from 14 livestock operations and had samples analyzed for water quality to ensure compliance with special conditions applied to approvals for these operations.
- Twenty-three appeals to the Allocation of Crown Land were heard by the Lands Appeal Board. The Board upheld 18 allocations, and five were returned to the department for re-scoring.
- Twenty-nine inquiries to the Agricultural Operations Review Board resulted in two Applications for Determination of normally accepted agricultural practice. Both applications resulted in a mutually agreeable solution being reached between the parties with no hearings required.
- SAF staff filled key leadership roles on committees for the development of harmonized ILO standards for the prairie provinces. Membership on the committee includes representatives of PFRA, Manitoba Agriculture, Manitoba Natural Resources, Manitoba Environment and Alberta Agriculture, Food and Rural Development. Draft documents are being prepared for consultation with industry and other agencies.
- SAF staff provided input into the CARDS program for funding of riparian development and management projects.
- Participated on the provincial Manure Management Working Group led by SAF Pork Central. Membership includes PFRA, PAMI, University of Saskatchewan

Colleges of Engineering and Agriculture, Saskatchewan Environmental Society, Saskatchewan Stock Growers, Saskatchewan Cattle Feeders, Sask Pork, along with dairy and poultry producers.

- Cooperated with PFRA to develop policy for PFRA to provide technical assistance to small intensive live-stock operations.
- Cooperated with PFRA and Saskatchewan Wetlands Conservation Corporation to utilize National Soil and Water Conservation Program funding to reduce pollution from 11 beef cattle operations located in riparian areas.

Environmental Monitoring

A study of the monitoring results from a hog manure storage site was completed in order to evaluate the potential for possible contamination of an aquifer, and to evaluate the effectiveness of the monitoring system, as well as examine monitoring improvements that should be considered for these types of facilities.

Spirit Creek Watershed Monitoring Committee was established. Data on ground and surface water samples have been collected and analyzed. Plans are in place for monitoring of soil nutrient concentrations and continued monitoring of surface water quality.

SAF is participating in the development of national environmental standards systems for the pork industry. This was initiated by the Canadian Pork Council and is being led by the Canadian Standards Association. It involves a wide range of stakeholders from producers through to consumers.

Pork Central partnered with the Department of Labour and producers to provide input to a best practices guide for Occupational Health and Safety in hog barns. This unique approach to the issue should help provide leadership and guidance in this evolving area.

Saskatchewan Pesticide Return Program

SAF worked with Saskatchewan Environment and Resource Management (SERM), PFRA, Crop Protection Institute of Canada, and agri-businesses to develop and deliver the *Saskatchewan Pesticide Return Program*, an initiative to collect and properly dispose of obsolete agricultural pesticides. Year two of this three-year program involved a collection blitz from October 24-26, 2000, at 36 collection sites located in central Saskatchewan. Over 60 tonnes of obsolete and unwanted pesticide products were collected and disposed of at the Swan Hills, Alberta waste disposal site. The program will conclude in 2001 with an October collection blitz at participating sites in the northern agricultural area of the province.

Crop Residue Burning Program

A Crop Residue Burning Pilot Project was implemented in the Regina area in the fall of 1999. A committee with representatives from three provincial departments along with the Regina Health District was formed to address the health and safety concerns associated with crop residue burning.

In 2000-2001, pilot program was extended to include both Regina and Yorkton regions. SAF conducted a telephone survey of crop residue management practices involving over 400 farmers in the two pilot areas. The results will serve as a benchmark to measure program impact. SAF contracted with Environment Canada to provide daily ventilation condition updates for the pilot areas and included those in a daily toll free phone message. The awareness program also included distribution of an information package to 8,000 rural addresses in the pilot areas and insertion of 46,000 program brochures in the Western Producer. The December stakeholder consultation meeting provided generally positive support for the program direction.

2000-2001 Legislation

The 2000 legislation agenda included amending four Acts and repealing three Acts:

The Farm Financial Stability Act amendments strengthen the Livestock Loan Guarantee Program. The amendments facilitate the joint purchase of commodities, a common business practice in custom operator arrangements. Also, the Act now authorizes a producer association to be able to deduct from the proceeds of sale, the amount a producer owes the association. *The Farm Financial Stability Amendment Act, 2000* came into effect on June 27, 2000.

The Animal Identification Act governs the registration of marks that are utilized for the identification of animals in Saskatchewan. This Act also governs licenses for the sale of devices used for identification, as well as the enforcement of using only a registered mark. The amendment allows producers who wish to register their electronic device that opportunity, but it will not be a requirement. The Act has provisions to implement licensing in the future, by regulations. *The Animal Identification Amendment Act, 2000* came into effect on June 27, 2000.

The Department of Agriculture Act was amended to allow the department to enter into a variety of repayment agreements where SAF provides funding for development of new agriculture and food products and technologies. *The Department of Agriculture and Food Act, 2000* came into effect on June 27, 2000.

The Cattle Marketing Deductions Act amendments provided for the collections made on behalf of the National Fund to be available to fund national initiatives. Administrative amendments included the clarification of the collection procedures; clarification that purebred associations do pay the cattle check-off; and to ensure Saskatchewan cattle producers are not charged a check-off more than once. *The Cattle Marketing Deductions Amendment Act, 2000* came into effect on June 27, 2000.

The following Acts administered by SAF which are no longer required to be in place, either because they are not used or have been replaced by other policies, were repealed in accordance with *The Miscellaneous Statutes Repeal (Regulatory Reform) Act, 2000*:

- *The Grain and Fodder Conservation Act*
- *The Horticultural Societies Act*
- *The Seed Grain Advances Act*

2000-2001 Regulatory Reform Initiative

The Regulatory Reform Initiative is a government wide initiative introduced in 1996. The objectives of the initiative are:

- Reduce the number of regulations by 25 per cent by March 31, 2006.
- Review all of the regulations that existed at the start of the initiative and to maintain workplans to ensure that the review is complete by March 31, 2006.
- Continue a "zero-sum policy" to ensure no net increase in the numbers of regulations.
- Address regulatory red tape and paper burden concerns particularly where they affect the activities of small- and medium-based businesses.

The 2000-2001 regulatory agenda included:

- *The Farm Land Education Tax Rebate Regulations* were implemented to provide for a rebate to landowners of a portion of the education tax on farmland.
- *The Pasture Regulations* provide for the operation of the Saskatchewan Pasture Program under *The Pastures Act*. *The Pasture Regulations* repealed the *Agricultural Development and Adjustments Regulations* and the *Provincial Community Pasture Regulations*.
- *The Pulse Crop Development Plan Amendment Regulations 2000* amended the Pulse Crop Development Plan Regulations to redefine terms to more accurately reflect the operations of the Board. The amendments clarify the Board's role in administration; allow the Board to acquire shares in an incorporated company and to hold, transfer, sell, or otherwise deal with these securities; create gender-neutral regulations; update the financial reporting standards; and clarify who is expected to collect and remit levies.

- *The Agri-Food Amendment Regulations, 2000* amended the Agri-Food Regulations to implement a Memorandum of Understanding signed between the Chicken Farmers of Saskatchewan and the Saskatchewan Agri-Food Council. The MOU establishes a transitional process that will move quota allocation to an open auction process.
- *The Saskatchewan Chicken Marketing Plan Regulations, 2000* contain the necessary regulatory changes to implement the MOU including establishment of a quota auction system for all future allocations, as well as a check-off mechanism to fund investment for new processing facilities.
- *The Broiler Hatching Egg Marketing Plan Amendment Regulations, 2000* contain changes required as a consequence of implementation of the MOU including further provisions to improve the structure of the chicken industry.
- *The Animal Protection Regulations, 2000* were needed to comply with the 1999-2000 changes to *The Animal Protection Act*. These regulations define "custody" and "detain" to distinguish when animals are considered to be in custody and when they are detained.
 - The amendments provide forms for obtaining and executing a search warrant.
 - The regulations outline the basic qualifications necessary to become an animal protection officer.
 - Humane Societies and the animal protection officers' record keeping standards are included.
- *The New Crops Insurance Program Amendment Regulations, 2000* authorizes the use of money in the New Crops Insurance Account to purchase reinsurance to protect the balance in the account.
- *The Livestock Dealer Amendment Regulations, 2000* clarify that producers from other jurisdictions can purchase livestock in the province without needing to obtain a livestock dealer's license.
 - Regulations require the livestock dealer, when applying for a new license or renewal of an existing license, provide a Statutory Declaration.
 - The regulations clarify that the amount of bond required by a dealer be based on all livestock purchased by the licensed dealer.
 - Amendments include provision to allow payment by the dealer for livestock purchased or sold to go beyond the three-day limit where there is agreement by both the contributor and the dealer.
- *The Agricultural Income Disaster Program Amendment Regulations, 2000* provide a mechanism for the Minister of Finance to guarantee loans made by the Farm Credit Corporation, to applicants of the AIDA program for the purpose of repaying over-payments received as a result of acreage-based interim payments for the 1999 AIDA Program.
- *The Pork Industry Development Plan Amendment Regulations, 2001* provide a new governance structure that allows for better representation of producers on the Sask Pork Board of Directors.
- *The Crop Insurance Amendment Regulations, 2001* facilitate the implementation of changes to the crop insurance program for the 2001 program year.
- *The Farm Land Education Tax Rebate Amendment Regulations, 2001* provide the extension of the application deadline date from February 15, 2001 to February 15, 2002.

Goal 6

Effective management of business risks, with the agri-food industry responding to market signals about what to produce.

Achievement of this goal will require a multi-levelled strategy. With susceptibility to drought, supply-demand factors, and erratic international policies affecting our markets, effective farm safety nets play a key role in SAF programs. Programs like Crop Insurance and NISA provide some security for farm families to invest in their farm business. Risk will always present a challenge for all parts of the agri-food industry. SAF will seek to support efforts by the industry to manage these risks.

Agricultural Income Disaster Assistance (AIDA) Program

The AIDA program was announced in December of 1998 and was to provide whole farm income support covering producers' 1998 and 1999 tax years. Saskatchewan has had very little input into the design and procedures of the program. The federal government administered the program through the AIDA Administration in Winnipeg.

Design changes were implemented for the 1999 AIDA program; however, the program remained unpopular with many producers. Processing of 1998 claims occurred throughout the summer and fall of 1999 with the majority of processing complete by the end of 1999. Many producers voiced concerns regarding the program parameters and the complicated application process.

Processing of 1999 claims was very slow throughout 2000, and by March 31, 2001, seven per cent of claims remained to be processed.

Design changes introduced for the 1999 claim year included a choice of reference period (three previous years or five previous years with high and low years removed), a different inventory valuation methodology for accrual adjustments, provisions for expanding farms, an accrual adjustment for pooling priced commodities (Canadian Wheat Board grains), inclusion of all labour as an eligible expense, and a modified accrual accounting adjustment for the reference period that is available to all farms.

AIDA has become the Canadian Farm Income Program (CFIP) that is in place for the 2000, 2001, and 2002 tax year.

Participation

For the 1999 claim year, the AIDA Administration received applications from 25,787 Saskatchewan producers. As of March 31, 2001, 1,767 claims remained unprocessed. Fifty-three per cent of claims processed to date were eligible for

claims (40 per cent of 1998 claims were eligible for payment) with the balance of claims either being zero payment or ineligible for payment.

As of March 31, 2001, approximately 13,000 Saskatchewan producers received payments under the program for the 1999 claim year. Payments to Saskatchewan producers for the 1999 claim year were in excess of \$195 million. Average payments to Saskatchewan producers eligible for payments in the 1999 claim year were approximately \$15,000.

Short-term Hog Loan Program

The Short-term Hog Loan Program was announced in December 1998, to assist hog producers in offsetting operating losses due to a severe reduction in hog prices. To May 29, 1999, the program disbursed a total of \$11.4M to 221 active hog producers, based on approximately 417,000 hogs and 36,000 weanlings.

Repayments on all loans commenced April 1, 2000 and are to be repaid in full by March 31, 2003.

As of March 31, 2001, the outstanding loans are as follows:

Mature Hog Loans	\$5,870,065
Weanling Hog Loans	<u>175,699</u>
Totals	<u>\$6,045,764</u>

Net Income Stabilization Account (NISA)

NISA is designed to provide a mechanism for producers to save money during good times for lower income periods in the future. NISA was first introduced as part of the Canadian agricultural safety net package in 1991 and is one of the cornerstones of the farm safety net package. It has remained relatively unchanged from its original program design. NISA is designed to stabilize incomes by helping producers save money during good times, which can be utilized during lower income periods. Producers are able to contribute up to three per cent of their annual eligible net sales and have it matched by governments (two per cent federal, one per cent provincial). In addition, governments provide an interest rate bonus of three per cent over and above the rate paid by financial institutions on any money contributed by the producer to the NISA program.

Participation

During the 1999 stabilization (tax) year, there were 58,501 Saskatchewan producers participating in NISA. The account balance of Saskatchewan NISA participants at March 31, 2001, amounted to \$1.269 billion, which represents a two per cent increase in account balances over the previous year. The average individual account balance was approximately \$21,700, which represents one-third of

the gross sales of the average Saskatchewan farm participating in NISA. Participants in the program produce approximately 90 per cent of the eligible commodities produced in the province.

NISA Review

At the annual meeting of federal and provincial Ministers of Agriculture, held in July 2000, officials were directed to carry out a review of the NISA program. The mix of safety net programs over the last ten years has changed considerably, but NISA is relatively unchanged from when it was introduced in 1991. Questions have been raised as to whether NISA should also be evolving to reflect a changing mix of agricultural safety net and income disaster programs. Concerns have also been raised regarding the continued increase in NISA account balances during times of declining farm incomes and continued demands for additional farm assistance. At the same time, some producers have been unable to accumulate NISA account balances sufficient enough to serve as an effective income stabilization tool.

With these issues in mind, Agriculture Ministers directed officials to examine ways to help NISA fulfill its role as a stabilization tool for producers. As part of the review process, a public consultation process with producers was established in order to get their perspectives on NISA improvements. Governmental working groups have also been assessing options for improving NISA's use as a stabilization tool. Ministers will make recommendations based on the results of the consultation process and the analysis of working groups. Saskatchewan will support changes to NISA that improve the effectiveness of the program for producers.

Canada-Saskatchewan Adjustment Program (C-SAP)

On February 24, 2000, the federal and provincial governments announced a farm assistance program that provided \$260 million to Saskatchewan producers to assist them complete the adjustment to the elimination of the transportation subsidies and the pooling of Canadian Wheat Board (CWB) seaway costs.

SCIC successfully administered the program to over 52,000 producers. A well established network throughout the province enabled SCIC to deliver the program and be responsive to the needs of producers.

Initial payments were based on six per cent of qualifying sales and were issued in June 2000. A final payment of 1.5269 per cent was sent in August to distribute the remaining funds. The average payment received by an individual producer was \$4,990.

Saskatchewan Crop Insurance

Crop insurance protection against production loss is an important cornerstone of the farm safety net package.

Program participation

For the 2000-2001 crop year, 24.1 million acres of grains and oilseed crops were insured with Saskatchewan Crop Insurance, and of those acres, 19.1 million were also endorsed for spot-loss hail coverage. This is an increase of almost four million acres from the previous year.

Program Enhancements

The Saskatchewan Crop Insurance Program offers several features and options that allow producers to protect their crops in the way that best reflects their own management practices. The 2000 program presented several enhancements such as:

- In 2000, the governments paid an additional 10 per cent of the total premium at both the base and buy-up levels. For base coverage of 50 per cent of a producer's average yield: governments pay 90 per cent and producers pay 10 per cent. For buy-up coverage of 60, 70 or 80 per cent of average yield: governments pay 60 per cent and producers pay 40 per cent.
- SCIC developed a forage rainfall pilot program, launched in 2001. The program uses precipitation recorded at a producer selected Environment Canada weather station to trigger a claim. Producers are compensated when the recorded precipitation falls below normal at the weather station. Two areas were selected for the project that included certain rural municipalities in south central Saskatchewan and northwest Saskatchewan. Producers eligible to participate could insure up to 1,000 acres of tame and/or native forage land. The provincial maximum for each pilot area is 100,000 insurable acres.
- To recognize the continued strengthening in financial position, on average, premium rates were reduced by 5.7 per cent for 2000, and interest on outstanding premiums were waived until October 31, from the previous date of August 31. As a result of the continued favourable loss experience during 2000, premium rates were further reduced by an average of 12.1 per cent going into 2001 and the interest waiver to October 31 was also continued.
- Greater flexibility was added to the program to assist producers with outstanding premiums, as they were allowed to continue their crop insurance coverage into the following year if they made satisfactory arrangements to pay this debt, with interest, by June 30, 2000. A total of 1,451 producers took advantage of this option. This flexibility was also continued for 2001, and at March 31, 2001, a total of 840 producers had used the option.

- A new variable price option was added, to allow producers the flexibility to have their insurance reflect any increases in commodity values up to the end of June. Producers who selected this option were guaranteed a minimum commodity price equal to the fixed price used during the spring. A total of 27 per cent of all crops insured were endorsed using this option.
- The "management experience transfer" was introduced, for existing customers to establish the probable yield of crops they have not previously insured. This allows for a producer's past experience to be considered in establishing their yield guarantee on new crops they insure. This provides customers with a better predictor of their ability to produce a crop than strictly using area averages.
- The deadline to sign up, make changes to existing contracts, or cancel contracts was changed from March 15 to March 31. This allows producers more time to make their farm business decisions for the coming year.
- Benefits for crops that fail to adequately establish after seeding, or suffer significant damage prior to June 20, were increased. This recognizes the increased costs associated with seeding the original crop.
- The hail option was expanded to include spot-loss fire. The deadline for hail and fire coverage was extended from September 30 to October 15.
- Quality loss coverage was added to the insurance available for chickpea producers. Chickpea acreage in Saskatchewan has grown from approximately 30,000 in 1997 to approximately 700,000 in 2000. Crop insurance has worked in close partnership with the Saskatchewan Pulse Growers, the Crop Development Centre, and federal and provincial departments of agriculture to work with the industry in designing insurance for this significant new crop for Saskatchewan.
- In 2000, under the unseeded acreage feature, producers who were unable to seed the number of acres they normally seed by June 20 were eligible to receive up to \$50 per acre. The payment increased from \$25 to \$50 in the 2000 program for all crop insurance contract holders.

Toll-Free Lines

SCIC uses toll-free lines, allowing customers to do business directly from their homes. With this service, claims can be registered; seeded acreage information filled out and production declarations can be submitted. Each customer service office has its own number; as well there is a separate line for the head office. From April 1, 2000 to March 31, 2001 a total of 200,859 toll-free calls were received.

Reinsurance

A pilot project was initiated to use private reinsurance to help backstop losses under the New Crops Insurance

Program. The intent of this pilot program is to gain experience in potential alternate arrangements for securing the financial health of the crop insurance program. Reinsurance coverage of over \$21 million was placed with approximately 15 different companies for a premium of \$1.05 million. No reinsurance claim was incurred in 2000 and the pilot will continue into 2001.

Global Positioning Systems (GPS)

In 2000, SCIC operated 21 GPS survey grade units. Nearly 500,000 acres were measured using GPS units for a total of 1.7 million mapped acres during the last four years. In 2000, SCIC purchased five handheld units as a test project in each region of the province. For 2001, plans are to purchase 100 units to replace the manual "wheeling" in all customer service offices.

Waterfowl and Big Game Crop Damage Crop Compensation Programs

SCIC administers the Waterfowl and Big Game Damage Compensation Programs. Producers can suffer severe crop losses from the damage caused by white-tailed deer, mule deer, antelope, elk, moose, bears, ducks, geese and sandhill cranes. Any Saskatchewan producer with or without a crop insurance contract is eligible to receive compensation for crops damaged by waterfowl or big game. Producers suffering crop losses because of big game or waterfowl benefit with:

- 85 per cent compensation
- payments based on the grade at the time of the adjustment to reflect actual harvested quality
- producers do not have to be crop insurance contract holders to receive compensation and,
- there are no costs or premiums paid by the producer, however, there is a \$200 deductible per crop for all waterfowl and big game claims

In the 2000-2001 crop year, 333 big game claims were made and \$684,541 was paid out. There were also 1,006 waterfowl claims registered and \$2,225,804 paid in compensation.

Safety Net Program Evaluation – the Farm Support Review Committee (FSRC)

Federal and Provincial Ministers of Agriculture have agreed to review and evaluate the safety net and income disaster programs available for producers across Canada. As part of the safety net review process, the FSRC has been asked to coordinate a public consultation process in Saskatchewan. The FSRC consists of seventeen members representing seven farm organizations and ten members at large from across the province. The specific mandate of the Farm Support Review Committee is:

"...to provide guidelines on farm support regarding such things as safety net design and adjustment programming including the level of support, distribution of support, the effect of programs on resource use and allocation, environmental implications, trade issues, payment and premium delivery mechanisms and linkages to other programs."

The committee met several times over 2000-2001 and made submissions as part of the NISA Review process and also launched a public consultation plan for industry stakeholder feedback on the safety net and income disaster programs on offer by governments, as well as the adequacy of those programs. During the summer and fall of 2001, the committee will be meeting with farm organizations wishing to express their views on safety net and disaster programs, as well as taking written submissions from farm organizations and individual producers. Findings of the consultation on safety nets and disaster programs will be compiled into a report by the Committee for submission to the Minister of Agriculture and Food.

Agricultural Ministers' Farm Income Meeting

Saskatchewan's Minister of Agriculture and Food, Clay Serby, invited provincial agriculture ministers to meet in Regina on February 9, 2001, to discuss the farm income situation. The intent of the meeting was to provide an opportunity for provinces to express their views on the needs of their producers and arrive at similar positions in advance of formal meetings with the federal government in early March 2001. Provinces called on the federal government for a substantial contribution from Ottawa to assist in alleviating the difficult income situation facing farmers. On March 1, 2001, the federal government announced a one-time payment of \$500 million for all of Canada. Saskatchewan received \$118 million of the federal funding. These funds, along with provincial funds, were provided to grains and oilseed producers through the CSAP II.

The Farm Land Property Tax Rebate Program

This two-year, \$50 million program is in effect for the 2000 and 2001 tax years. The program provides for a rebate of 25 per cent of the current school tax levy on all agricultural and grazing farmland, with the exception of the home quarter. Taxes must be paid on the home quarter plus qualifying land prior to being eligible for the rebate. Rebates are based on actual tax paid, net of any early payment discounts taken. Payments against tax arrears also apply as long as the amounts paid are equal to or greater than the current year's levy of municipal and education tax.

As of March 31, 2001, 47,579 applications were received for the year 2000 rebate. The deadline to receive applications for both 2000 and 2001 tax years is February 15, 2002.

Goal 7

Identification of new business opportunities in the agri-food industry.

This goal is a critical one in an agriculture and food economy where opportunities continue to multiply. SAF will play a substantial role in working with industry not only to identify the opportunity, but also to assess and determine industry feasibility and develop appropriate strategies.

Food Industry Development Centre

SAF has supported the development of the Food Centre's pilot plant located on the University of Saskatchewan's campus. With construction completed, the fully-functional processing plant will be used to facilitate the agri-food industry in product development and promotion thus allowing the industry to remain progressive with rapidly evolving technology

SAF has five staff co-located at the Saskatchewan Food Industry Development Centre Inc. (Food Centre) in Saskatoon. Our continued partnership with the Saskatchewan Food Processors Association, University of Saskatchewan, and the Food Centre staff provides industry with access to information and assistance in this 'one-stop-shop' novel concept. Some of the initiatives SAF has undertaken in 2000-2001 to assist industry in advancing their businesses include:

- Workshops and Seminars on Hazard Analysis Critical Control Point (HACCP). This internationally recognized food safety workshop generated participation from 48 employees representing 16 Saskatchewan agri-food companies.
- The continued marketing to industry of the *FOODSTEPS: Processing Foods Safely* training course. This one-day session provides the food industry with the fundamental knowledge for the production of safe, high quality food. Saskatchewan Health has recognized the course for use by food processing facilities in the province.
- SAF has seen a dramatic increase in product development activities. Thirteen Saskatchewan food processing companies were assisted with the development of 29 new products.
- SAF conducted 187 technical and product development consultations for 63 different Saskatchewan food processors. This represents a four-fold increase from last year's activity.
- SAF worked with 11 processors to assess, design or implement a food safety HACCP plan. This included six food safety audits to facilitate the industry in their approach to a reassuring food supply.
- SAF led two missions to marketing and technical trade shows in the United States. A total of 16 companies participated in these business development opportunities.

Agri-Value Investment Activity

The loss of the Crow Benefit in 1995 lowered the local value of the grains, oilseeds and specialty crops grown in Saskatchewan by removing the rail transportation subsidy. This theoretically made it more attractive to process these products locally rather than exporting them in their raw form.

The extent to which agri-food value-added processing has expanded in Saskatchewan is of great interest to both policy makers and industry development officials. In an effort to track the level of new processing activity, Statistics Branch has implemented a program designed to quantify the level of investment activity in agri-food processing in Saskatchewan. The program provides data on the number of investments, the amount invested and the employment impact.

Market Intelligence

SAF undertook the development of several significant market research and intelligence studies over the past year. These reports are being distributed to Saskatchewan industry members in order to allow them to strengthen their marketing plans and reduce costs of market information gathering. Some examples of these include:

- A market intelligence study for processing bast fibres (long fibres obtained from the stems of crops like flax, hemp and jute) in North America.
- A study of the potential nutraceutical uses of Saskatoon berries.
- Work on the competitiveness of the Saskatchewan herb and spice industry.
- Research on the market for consumer-ready pulse products in North America.
- SAF also answered numerous requests for basic research in areas as diverse as: pet food, hemp, buckwheat, flax oil, fruit wine, mushrooms, pulses, organic foods, bison meat, and Saskatoon berries.

SAF has a coordinator assigned for enquiries and new leads related to the desirability of locating a processing plant or agriculture business in Saskatchewan. This position will assist in quickly identifying investor needs and working with partners to provide information that will assist in bringing new investment to Saskatchewan along with its associated benefits.

In a continued effort to strengthen export efforts and build awareness for Saskatchewan food products in the US market, SAF brought senior trade officials from the Minneapolis Consulate to Saskatchewan in November 2000. They met with a number of companies across Saskatchewan to gain a better understanding of Saskatchewan food products, as well as gain some knowledge about the interests of exporters, which they can use in Minneapolis to match to buyers. About

3.5 per cent (\$250 million) of Saskatchewan's agriculture and food exports go to Minnesota where they are valued as high-quality food processing ingredients.

Targeting International Markets

On June 14, 2000, SAF renewed, for five years, its federal-provincial partnership known as Trade Team Saskatchewan by signing an MOU with Saskatchewan Economic and Cooperative Development, Saskatchewan Trade and Export Partnership, Industry Canada, Department of Foreign Affairs and International Trade, Western Economic Diversification, and Agriculture and Agri-Food Canada. Trade Team Saskatchewan works jointly to promote the benefit of trade to Saskatchewan business and provide a seamless set of export services to Saskatchewan companies that are selling products and services abroad. SAF is leading a working group that is specifically implementing projects that will assist Saskatchewan business in developing marketing plans that include e-commerce strategies.

SAF participated in planning and hosting the International Business Centre at the Canadian Western Agribition 2000. This made it possible for over 578 guests from 49 countries and 26 American states to register in a location designed to put international buyers in contact with Saskatchewan companies seeking export sales development.

SAF identified 12 international target markets. A background analysis paper was completed providing rationale for these markets. SAF will focus its efforts and partnerships on markets in the US (Upper Mid-West), EU (U.K., Germany, Belgium, France, Italy, and the Netherlands), Japan, China, Mexico, Chile, Taiwan, South Korea, Brazil, Panama, Ukraine and Iran. Emphasis is placed on participating in activities that leverage partnership resources and contribute to the development of the agri-value sectors in addition to the agriculture sector.

SAF has increased its participation on the priority market teams agreed upon by the federal and all provincial governments. Participation on these teams provides Saskatchewan increased access to export initiatives that primarily utilize federal resources or cost-share with other provinces. For example, this participation allowed over 40 Saskatchewan food companies to meet with incoming buyers from Japan and Germany.

Over the past year, SAF welcomed 49 incoming delegations, mainly from the 12 SAF target market countries. Saskatchewan business is invited to meet with incoming delegations to maximize exposure to potential markets, investment, partnerships and alliances. For example, an incoming group of Dutch dairy and hog farmers were shown farms in the Humboldt and Saskatoon areas. SAF also participated in the organization of 18 outgoing missions, which included Saskatchewan companies as

participants. SAF partners very closely with Saskatchewan Trade and Export Partnership (STEP) in assisting companies to reach their export targets and potential. For example, a pulse mission to Turkey and India resulted in increased knowledge of the quality requirements of buyers amongst the Saskatchewan companies that participated and led to companies from Turkey and India coming to Saskatchewan to meet with pulse companies.

SAF participated in coordinating the FCC Kitchen at Canadian Western Agribition. This event allows Saskatchewan food companies and commodity groups and the Saskatchewan Culinary Team to raise awareness of food commodities produced in Saskatchewan to consumers and international guests.

SAF contributed funds towards food industry representatives' attendance at the Salon international de l'alimentation (SIAL) Montreal trade show in March 2001. This participation at this first-ever event will result in a strategy for Saskatchewan industry participation in SIAL 2003. SIAL Montreal is viewed as one of the best, low-cost opportunities for Saskatchewan companies to make export market contacts and sales without leaving Canada.

SAF also participated in the organization and hosting of the delegates from Mexico, Canada and the US for the Tri-National Accord meetings in Saskatoon in August 2000. The opportunity was used to provide all international delegates with a greater understanding of Saskatchewan food products and processing.

Ukraine Beef and Forage Development Project

The second year of the Canada-Ukraine Beef and Forage Development project was successfully completed. This is a four-year CIDA-funded project in partnership with Manitoba Agriculture and Saskatchewan Trade and Export Partnership. Saskatchewan specialists prepared and delivered training modules and Saskatchewan seed and genetics companies demonstrated products creating valuable exposure business contacts. Minister Serby traveled to the Ukraine to work with senior personnel in the Agriculture Ministry. The positive exposure from this project has meant that a number of Ukrainian groups traveled to Saskatchewan this year to investigate and/or purchase genetics and machinery from Saskatchewan companies.

Agri-Business Promotion

SAF is committed to the development of a strong agri-business sector in Saskatchewan. SAF has increased both the analysis and promotion of agri-business opportunities in the province. Over the past year, SAF has undertaken several initiatives to promote agri-business opportunities in Saskatchewan.

- SAF has assigned two positions that are responsible for coordinating competitive analysis and investment attraction in sixteen key agri-value sectors, working in conjunction with each industry sector. For example, an initiative to attract investment and skilled resources from the Netherlands to Saskatchewan's pork industry began in August 2000.
- Staff from SAF have developed a focused Investment Attraction Strategy for the pork industry. Initial targets include attraction of \$100 million in capital and human resources from Quebec and the Netherlands.
- SAF provided extensive information and a tour itinerary to two U.K. farmers interested in purchasing a farm and immigrating to Saskatchewan. SAF efforts resulted in the farmers choosing Saskatchewan as the place for their investment.
- SAF has begun to implement a focused communications strategy with industry in Saskatchewan and beyond that emphasizes Saskatchewan as a place to do business and invest in agriculture and agri-business. This proactive information focuses on Saskatchewan's competitive advantages and positive business environment.
- SAF also worked with federal and provincial partners to organize a seminar and direct meetings between Japanese food buyers and seven Saskatchewan companies which allowed companies to present their products to experts in the Japanese market and make sales or obtain valuable feedback on product format and packaging suitability to the Japanese market.

Fibre Agri-Value

There are approximately 650,000 acres of privately owned forestland in northeast Saskatchewan. Although this resource has not been developed, opportunities exist to manage the private forestland in a sustainable manner, resulting in additional farm income. The production of short rotation woody crops such as hybrid poplar is now seen as an economic opportunity for farms.

As a result of producer interest in agroforestry in the northeast, and SAF's interest in developing agroforestry, a number of activities have taken place to develop this new area of opportunity.

A non-profit grower group, Parkland Agroforestry Products, Inc., has been formed with the objective of co-operatively managing and marketing their forest resources in a sustainable manner. The Parkland group consists of 32 landowners who have committed approximately 5,000 acres of privately owned forest land. Staff from SAF have assisted this group in its formation through the organization of meetings, workshops, funding, and publicity. Some of the activities and projects SAF has assisted with include:

- As producers become members of the group they provide their land locations and, with assistance from PFRA, the wood resource on these lands is mapped

and recorded. Good inventory information will assist in market development for this resource. Funding was provided to assist with this project and staff from the Extension Service Branch assisted with project development.

- The Parkland group was assisted in designing a program for their members to establish stool beds, as one major obstacle to the establishment of hybrid poplar plantations is the availability of adequate propagation material. Initial rooted cuttings of Walker poplar will be obtained from the Shelterbelt Centre to initiate these beds. A visit to the Shelterbelt Centre was also organized for Parkland directors to observe the harvest of their stool beds.
- SAF assisted the Parkland group in planning and delivering a seminar on agroforestry in conjunction with their first annual meeting.
- SAF staff assisted the group in presenting a poster session at the Greenhouse Gas conference in Saskatoon, as well as developing a poster for the group.
- Staff arranged for the Parkland Board of Directors to meet with the president of the Farm Woodlot Association.
- A seminar on wood marketing was organized for the Parkland group. Staff and farmers participated in a tour to Manitoba and Minnesota to view projects.

A Business Climate for Development

SAF strives to work with industry to provide a business climate that is conducive to the development of the agri-food industry in the province. Over the past year several initiatives have been undertaken to forward the concerns of industry proponents. Some of these initiatives include the following:

- In a collaborative effort between SAF, industry representatives, and the Saskatchewan Liquor and Gaming Authority, changes have been made to the Cottage Winery Policy that reflect the policies in place for other Canadian jurisdictions. The policy changes will improve the market climate for this Saskatchewan industry.
- SAF undertook *A Comparative Analysis of Select Business Costs in Saskatchewan*, designed to build a better understanding of Saskatchewan's relative competitiveness for agri-businesses.
- The inter-provincial movement of certain categories of food is currently a highly regulated process. SAF chaired a federal-provincial committee that investigated whether inter-provincial trade could be allowed when different provincial food-safety process requirements lead to equivalent food safety results.
- Staff prepared *A Template for Purchase of a Wood Elevator*. This template was developed to help individuals/groups/communities approach the purchase of a local grain elevator with good background knowledge of all the business elements that need to be considered before beginning a project.
- Preliminary analysis was conducted to determine the potential for the egg industry in Saskatchewan. These

collaborative efforts included joint participation (Saskatchewan Commercial Egg Producers Marketing Board and SAF) in an appeal of national quota allocation decisions, and preparations for upcoming negotiations to update the Federal-Provincial Agreement on eggs.

- SAF has developed a "Choosing the Right Structure for Your Agri-Business" handbook, which provides a general description of the structures to consider before getting a business off the ground.
- SAF developed a presentation on value-added processing in Saskatchewan. Designed for entrepreneurs and economic development associations, the presentation gives a definition of value-added, highlights some success stories, identifies Saskatchewan's competitive advantages and stresses government's support for value-added processing.

Organic Industry Marketing and Development

SAF worked with the organic industry to develop an industry endorsed consensus on a national model for organic accreditation and certification. This consensus is important to the Saskatchewan industry because the EU and US have threatened to close their borders to Canadian organic imports if Canada does not have an equivalent standard and national organic certification/accreditation system.

SAF worked with its federal and provincial partners to strengthen the marketing impact of Saskatchewan organic products in the EU. Three EU buyers were brought to Regina to meet with Saskatchewan organic processors in September 2000. The seminar included more than 40 people representing over 20 Saskatchewan companies, organizations and producers involved or interested in organics. This was followed by SAF and STEP leading a mission to the Bio Fach Organic Tradeshow in Germany in February 2001, where Saskatchewan companies presented their products to potential EU buyers.

SAF developed and published the Saskatchewan Organic Processor Directory. This document is a comprehensive listing of Saskatchewan companies that process consumer ready, food ingredient, bulk and nutraceutical products, as well as supplies and services. It was widely distributed in Saskatchewan, and copies have been provided to national and international organizations looking for a supply of organic products.

SAF began work on an organic webpage to promote growth in the provincial organic industry. The page will provide new and current producers/processors with current information on research and development, marketing and industry news. SAF implemented an organic feed market assessment study to assess the market potential for organic animal feed products in the US and EU. The market assessment will help Saskatchewan organic producers and processors determine if there is a market opportunity for organic feed products.

Agricultural New Generation Co-operatives (ANGen) Program

In 2000-2001, the department initiated a new program entitled 'Agricultural New Generation Co-operatives (ANGen) Program' to provide opportunities for farmers to work together to develop businesses for producing value-added products from their primary production. This program provides assistance for setting up the cooperative, feasibility studies, business and marketing plans, preparation of a prospectus and pre-design of facilities.

National Agri-Food Awareness Conference

Saskatchewan hosted the National Agri-Food Awareness Conference in Saskatoon October 21-23, 2000. This annual conference is held in a different province each year and brings together educators, producers, agricultural associations and agricultural communicators to share ideas on raising awareness and understanding of agricultural issues in the general population. Department staff played a key role in organizing and hosting the conference.

Conservation Cover Program

In March 2000, the provincial government committed to introducing a forage conversion program by spring 2001, after consulting with stakeholders on program design. A discussion paper and questionnaire were developed and broadly distributed. Interest was high and SAF received over 250 responses, many with extensive comment. The program was designed during the winter and announced by Minister Serby in Yorkton on March 22, 2001. The *Conservation Cover Program* is a four-year, \$26 million provincial initiative that will promote land stewardship through contributing to the cost of converting cropland to perennial cover.

Agri-Tourism

An activity to provide alternative income for farmers was the Agri-Tourism initiative. Department staff planned two meetings—75 people attended the meeting held in Regina in conjunction with the Farm Progress Show and Saskatchewan Tourism—95 participants attended the Moose Jaw session – Agri-Tourism Toolkit: Home-grown Solutions for Rural Prosperity held in cooperation with the Moose Jaw REDA and the District 8 ADD Board. The Moose Jaw Agri-Tourism meeting invited farmers as well as representatives from regional towns and villages to attend. Since the conference, several communities have proceeded with projects involving farmers and their communities to generate agri-tourism.

The communities are now working with local REDAs and Community Futures to complete their initiative. These include the communities of Mortlach, Eyebrow, Chaplin, Briercrest and Gravelbourg. There are also individual projects that anticipate as much as \$15,000 additional farm income from agri-tourism.

Goal 8

Provincial, national and international policies that promote growth, diversification and adding value to the Saskatchewan agri-food industry.

Much of the success of Saskatchewan farm businesses and food industries depends in a major way upon policies beyond Saskatchewan borders. Many are national policies and many are international policies. For an industry so reliant upon export markets, it will be imperative for SAF to pursue the interests of Saskatchewan agri-food industry in decision making processes concerning these policies, whether the topic is market access, export subsidies, sanitary and phyto-sanitary (food safety and quality) measures, or transportation policy.

Provincial Response to US Anti-Trade Legislation

Several legislative attempts were made in the US states of Montana and North Dakota in 2001, to restrict Canadian agricultural access to the US market. Saskatchewan, in cooperation with the provinces of Alberta and Manitoba, lobbied the Canadian federal government, the US federal government and the relevant North Dakota and Montana legislative houses. The legislative motions were eventually defeated. According to North Dakota's Deputy Agriculture Commissioner, the representations from the provinces most likely had an impact on the decision to defeat the legislation.

In addition, Saskatchewan in cooperation with Alberta and Manitoba, lobbied the North Dakota state government regarding rules that are being written to implement legislation passed in 1999, titled HB 1276, that was originally intended to restrict access of Canadian livestock exports to the US. The rules are being rewritten based on comments received, and North Dakota officials insist that new rules will comply with US international obligations. It is quite possible that the rules will remain in limbo, since it may be impossible to write rules to implement HB 1276 that are consistent with US international obligations.

The Provinces States Advisory Group (PSAG)/Canada-US Accord Working Group

The PSAG was established in 1999 as a forum for provinces and states to deal with bilateral agricultural trade concerns at the provincial/state level and to develop suggested solutions for federal level issues. SAF continued efforts at addressing US trade relations through the PSAG, including facilitating the presentation of information regarding the Canadian Cattle Identification Agency, raising concerns regarding trade restricting legislation at the state level, and facilitating the transition of the Canadian co-chair of the PSAG from Saskatchewan to New Brunswick.

The Canada-US-Mexico Agriculture Accord

The States/Provinces Agricultural Accord was established in 1986 to address mutual interest and irritants in an informal setting. Following the establishment of the North American Free Trade Agreement (NAFTA), Mexican states were asked to join in 1992. The Accord is an annual meeting attended by Canadian provincial agriculture ministers, members of the US National Association of State Departments of Agriculture, and members of the Mexican State Departments of Agriculture. SAF hosted the Accord in July of 2000, holding the meetings in Saskatoon.

The Federal Provincial Agriculture Trade Policy Committee (FPATPC)

The FPATPC was established in 1984. The FPATPC is co-chaired by a trade policy official from the provinces and one official from Agriculture and Agri-Food Canada. SAF continued its involvement in the FPATPC, including completion of term as provincial co-chair of the committee and assisting the transition of co-chair responsibilities to New Brunswick. The committee facilitates provincial input into issues such as trade negotiations and disputes, and acts as a mechanism for raising trade concerns with the federal government, as well as facilitating the dissemination of information relating to trade concerns amongst provinces, and between provinces and the federal government.

Action Committee on the Rural Economy (ACRE)

ACRE was formed in September 2000 by the Government of Saskatchewan to act as a catalyst for innovative ideas that address the challenges and opportunities facing rural Saskatchewan.

Since its inception, this industry and citizen stakeholder committee has gathered information to develop a comprehensive long-term strategy for positive change and economic growth in our rural areas.

Eight action teams were organized in order to focus on specific issues. Five of the action teams – the Agriculture Sector, the Agrivalue Sector, the Resource Sector, the Rural Manufacturing and Construction Sector, and the Rural Service Sector – were to cover essentially all of rural Saskatchewan's economic activity. The Farm Structure/Farm Income, and the Community in Evolution subcommittees were to look at the future of farms and communities in the province. Lastly, the Tools for Rural Economic Development subcommittee was to focus on what kinds of programs and policies can build on the needs of all aspects of rural Saskatchewan.

In January of this year, ACRE presented the government with six recommendations for rural revitalization. These recommendations are as follows:

- improve access to capital funding;
- establish a Rural Skills Development Program targeted at farm family members who wish to improve their income opportunities;

- develop an Approval Process Guide for Rural Development Projects;
- establish a rural communication infrastructure, which will provide universal, affordable access to high-speed Internet and cell phone coverage to all residents throughout Saskatchewan;
- establish an Immigration Policy that works for Saskatchewan and which optimizes opportunities for immigrants to contribute to the economic development of rural Saskatchewan; and
- establish an Education/Publicity Program on Rural Saskatchewan Successes and Competitive Position to facilitate the development of a positive climate in rural Saskatchewan in which economic and social opportunities can be maximized.

The government has reacted positively to ACRE's recommendations. Programs designed to help farm families take advantage of new opportunities and to manage in their present day operations, and access to high-speed Internet connection for rural communities were among the highlights of the March 2001, Throne Speech. In addition, the Minister of Intergovernmental Affairs announced an enhanced immigration plan that takes into account recommendations from ACRE. All other recommendations are being examined to determine how to move them into actions.

The government has also established the Office of Rural Revitalization, whose Minister, Pat Atkinson, shares the Co-chair position of the ACRE process along with Clay Serby, Deputy Premier and Minister of Agriculture and Food, and Audrey Horkoff, producer and community leader.

ACRE has conducted consultations to provide individuals and organizations with the opportunity to share their views and ideas. The public was also invited to send in written submissions. The responses to date indicate that the people of rural Saskatchewan are as strongly committed and determined as ever.

ACRE will continue its consultations and will present its final recommendations in the form of a consultation document for discussion by the rural community during the fall of 2001. Following a series of town hall meetings and discussions that will be scheduled across the province during the fall and winter, the committee will present its final report to the Government of Saskatchewan in the spring of 2002.

Farm Land Ownership

Consultations were undertaken on the farmland ownership provisions of *The Saskatchewan Farm Security Act*. Views of various interest groups were obtained with respect to the legislation.

Transportation

SAF staff worked closely with officials from Highways and Transportation and made two submissions to the Canadian Transportation Act Review Panel. The federal government announced and implemented changes to the grain handling and transportation system. SAF worked closely with Highways and Transportation, the Government of Manitoba, the CWB, and farm groups in analyzing and responding to the federal forms.

Increasing Chicken Production

SAF worked with the broiler chicken industry to implement a doubling of Saskatchewan quota. This expansion plan followed the agreement laid out in a December 31, 1999 Memorandum of Understanding between the Chicken Farmers of Saskatchewan and the Agri-Food Council. Major issues included:

- Revision to regulations.
- The appointment of an administrator to manage key powers of the Chicken Farmers of Saskatchewan and the Saskatchewan Broiler Hatching Egg Producers' Marketing Board for an interim period.
- Implementation of a transparent system for quota allocation.
- Establishment of producer-owned Investment and Development funds.
- The addition of a producer check-off that will be used for the enhancement of processing activity in the province.

Agroforestry Development

SAF worked with SERM and other agencies to develop a strategy for agroforestry development in the province. SAF also participates under a memorandum of understanding to coordinate activity between four federal and provincial departments in the area of tree plantations. SAF is helping to organize the *Agroforestry in North America* conference which will be held in Regina in August 2001.

Aquaculture

SAF and SERM are working to develop a provincial aquaculture policy that will establish a foundation for industry growth, while ensuring environmental protection. This process will continue into the next year and will include consultation with stakeholders on a number of important issues, prior to potential regulatory change.

Climate Change

SAF continued to monitor developments provincially and nationally and participated in regular stakeholder and interdepartmental meetings and in a national agricultural policy process led by Agriculture and Agri-Food Canada. SAF also organized and coordinated the conference *Climate Change and Agriculture: Reducing Greenhouse Gas Emissions* held December 11-12, 2000, in Saskatoon.

Goal 9

Client satisfaction through friendly and effective customer service.

SAF serves an industry that has a great impact on the provincial economy and the customer base is broad and diverse. No organization can achieve its mandate without paying close attention to its customer needs and building positive and trusting relationships with all those served. SAF employees play a key role in meeting this goal for the organization. The test of any organization is how well it serves its customers and its willingness to look for feedback to continually improve.

Client Service Training

SAF offers a workshop, specifically designed for delivery at the branch or work unit level, to support implementation of the department's client service standards. The session helps to raise staff awareness and understanding of the standards and how they can enhance the service provided to clients.

SAF also provides a wide range of technical training specific to serving the agricultural industry.

Contact Management System

SAF implemented a Contact Management System to assist the Pork Central Branch in providing customer service and track project development (i.e. new hog barn development) from beginning to marketing.

The electronic database allows SAF to retain client (producer) and contact (industry stakeholders, feed representatives, veterinarians, suppliers, etc.) information. Each producer has their own individual file where information pertaining to the cost of production, letters, details of the operation, and details of the services provided by SAF are retained. This enables SAF specialists to communicate the events, issues, and services provided to an individual producer to all staff, allowing for better communication between clients and SAF specialists.

SAF is in the process of expanding the database to include all livestock sectors.

Program Reviews

SAF undertook an evaluation of the department's research and development programs to provide analysis of the effectiveness of these programs in meeting industry needs, the impact of these programs, and to provide feedback on administering these programs to our external clients.

Goal 10

A responsible and accountable organization with knowledge, skills, information and authority to perform with excellence.

Three ingredients should never be separated in any decision making process. These are responsibility, authority, and accountability. SAF will strive to create a working environment where all employees have clear responsibilities, have the authority to meet their responsibilities and are held accountable for their decisions. At the same time, SAF must strive to ensure that employees have the knowledge, skills, and information to carry out their responsibilities.

Staff Training

Three hundred forty seven employees (63 per cent) took 2,429 days of training which is an average of 4.43 training days per employee.

Management and Employee Development Program

SAF coordinated the delivery of 16 training events for department staff as part of the Management and Employee Development Program. Some of the topic areas included: Staffing, Leadership, Coaching and Career Planning.

The scope of the Management Development Program was expanded to include employee development, which has broadened the target audience of the program and expanded the range of learning events offered.

A client service module has been established as part of the Management and Employee Development Program. A variety of workshops were offered to departmental staff including client service, interpersonal communications, leadership, and resolving conflict. These workshops are designed to enhance employees' skills in working more effectively with clients. We also provide a wide range of technical training specific to serving the agricultural industry.

Enhancing Management Potential Program

The department implemented a succession management initiative to ensure a more strategic approach to meet future management and leadership requirements. As at year end, 20 employees enrolled in the program.

Employment Equity

The Employment Equity Committee finalized a strategic plan and a communications strategy designed to enhance our ability to recruit and retain employment equity employees. The department appointed 56 employment equity designated group members to permanent and non-permanent positions during 2000-2001.

Staff participated in the introduction of an employment equity program for Prairie Diagnostic Services.

Career Fairs

SAF coordinated attendance at two Career Fairs and participated in the University of Regina Career Fair in September 2000 and the College of Agriculture Career Fair in November 2000.

Balancing Work/Life Committee

The Work/Life Committee was implemented to collect information to analyze, assess and make recommendations to improve the employee work/life balance. The committee has conducted best practice research, reviewed usage of programs within SAF, and an electronic survey was conducted to get feedback from staff regarding work/life balance issues in the department.

Exit Interview

Staff conducted an evaluation of the exit interview pilot project and determined that exit interviews are a useful tool to assess the culture in the organization, determine department and branch strengths, and areas requiring improvement. Senior management made the decision that exit interviews would continue to be offered to employees terminating from SAF.

Transfer of ACS Employees to SAF

The final downsizing activities for the Agricultural Credit Corporation of Saskatchewan were coordinated and the remaining positions/employees were transferred to the department. There was an amalgamation of a number of work units to form Financial Programs Branch, which required support in the integration of work units and resources within the Financial Programs Branch.

Goal 11

Responsible financial management and administration based upon strategic priority setting.

SAF will use its financial resources in the most responsible way possible to achieve the strategic priorities of the organization in serving the agri-food industry. This means effective planning, linked closely to the budgeting and expenditure process, with accountability for all expenditures.

Expenditures

Financial Services processes all expenditure transactions of the department. In addition to data entry and filing, this involves ensuring proper coding of invoices, appropriate authorization, and that each invoice submitted is a proper charge in delivering a program. Financial Services ensures that SAF complies with the *Financial Administration Act* and the Government's *Financial Administration Manual (FAM)* for all expenditures it incurs. Any changes to government financial policy, FAM or the Government's Revenue and Expenditure processing system are communicated to the department through the Administrative Officers Committee.

In 2000-2001, Financial Services processed 42,700 expenditure transactions totaling \$221.5M while meeting the Provincial Comptroller's expenditure processing targets of timelines for payment to suppliers and error minimization.

Revenues

Financial Services processes all department revenue transactions. This involves verification, proper coding and depositing cash receipts on a daily basis. Revenue transactions totaling \$40.9M were processed during 2000-2001.

Purchasing

The central purchasing desk function was maintained through the 2000-2001 fiscal year. The Central Purchasing Desk procured \$6.23M in goods and services in the 2000-2001 fiscal year, and operated in compliance with *The Purchasing Act*.

Business Improvement Services

Business Improvement Services (BIS) worked closely with Information Management Services and Technology Management Services by providing the in-depth analysis of user needs and systems requirements used to develop or enhance databases and systems for their clients. The following database projects were undertaken during the year:

- Developed the Saskatchewan Food Industry Development Centre Database to be used to house all client

information as well as industry information that can be used to measure the development and growth of the food processing industry.

- Completed enhancements to the Agri-Food Equity Fund (AFEFF) database to allow for more effective tracking of project status and proponent information.
- Developed a Communications Project Tracking Database, which records communications activity details including project scope, status, specific activities that comprise a particular communications project, and associated financial costs.
- Completed identification of requirements and development of enhancements for the Pork Central Client Tracking database to provide better integration and functionality and provided support to Pork Central in the development of the requirements needed to implement a shared database between Saskatchewan, Alberta, and Manitoba for information related to manure management research.
- Completed final stages of the development of a project tracking database for Inspection and Regulatory Management Branch Intensive Livestock Operations (ILO) that included system testing, facilitated training sessions and system installations and updates.
- Developed an application to manage the information and payment requirements for delivery of the Farm Land Property Tax Rebate Program.
- Developed an application to manage the information and payment requirements for the delivery of the Conservation Cover Program.
- The Livestock Information Management System was updated to support the new Cervid Health Surveillance Program for Chronic Wasting Disease.

Strategic Planning

Participation in the strategic planning process, developing section/individual workplans, stressing the importance of accountability, and encouraging feedback from employees furthers the directions and goals of the department.

A new SAF Strategic Plan was approved in February 2001, with full implementation during the 2001-02 budget and planning cycle. All branches participated in the development of the department's 2001-02 Strategic Plan. This included the development of the overall department plan, as well as the individual Financial, IT and Capital Plans.

- Branch, section and individual work plans have been designed to support the goals and objectives of the department's Strategic Plan.
- The Strategic Plan provided support for the development of Performance Measurement for the department.

Policies and Procedures Manuals Project

In 1998-99, the department began an initiative to document policy and procedure manuals for Special Purpose Funds, Revolving Funds, and specific activities of the department. This project was led by Business and Information Technology Services and supported by Financial Services, which also provided a significant amount of the information contained in the manuals. Procedure Manuals activity during this fiscal year included completion of the Agriculture Development Fund Policy and Procedure Manual and a draft of the Livestock Services Revolving Fund Policy and Procedure Manual, to be finalized next year.

E-Commerce/E-Business

The Information Management Services section continued to pursue the goal of enabling the department's e-commerce/e-business capabilities through participation in the Pesticide Service License Renewal pilot project. The accomplishments include the creation of an interactive form for the clients, a database of client information that will allow clients the ability to partially complete transactions and resume them at another time, and scripts that transmit the payment information to the bank.

Utilization of Web Technology

To assist in the provision of information and promotion of programs, the following web site activity occurred during 2000-2001:

- The SAF internet site was redesigned to conform to Visual Identity standards set out by the Information Technology Office and Executive Council, and the Internet Server was updated to Windows 2000 and Microsoft IIS 5.0 in order to improve performance, increase reliability, and provide enhanced functionality to the website.
- Redesigned the Contact Us and Employee Search features, and the Calendar of Events to enhance their functionality.
- Created the Crop Protection Guide, including the creation of a database for the information, the creation of an interactive search for the site, and interactive administration.
- Created new websites to promote the following topics: ACRE, Agriculture Burning Awareness Program, Food Center, Northern Plains, Provincial Dairy Laboratory, and Saskatchewan Management Plus.
- The Pork Symposium and the Saskatchewan Greenhouse Growers websites were updated in order to enhance the presentation and content.

Operational Enhancements

A number of initiatives were undertaken to ensure the smooth and efficient operation of the department's electronic information system during 2000-2001, including the following:

- Entered into the Microsoft Enterprise Agreement to ensure adequate licensing of Microsoft software products for departmental staff.
- GroupShield anti-virus detection software was added to the Microsoft Exchange installation to provide detection and removal of e-mail attachments containing computer viruses before departmental staff could be affected. The software eliminated over 2000 e-mails containing viruses in the first year of operation.
- Installation of the Microsoft Office 2000 desktop productivity software suite, and the Microsoft Internet Explorer 5.0 update.
- Upgraded the Microsoft Exchange e-mail hardware platform to increase the processing capability of the unit, and to provide additional disk capacity for the more than 700 users currently served.
- Video Conferencing facilities were made available for booking to all department branches.
- Renewed or entered into shared service agreements with Saskatchewan Economic and Co-operative Development, Prairie Diagnostic Services, SaskWater, and Intergovernmental and Aboriginal Affairs.

Improved Office Facilities

A number of accommodation activities occurred throughout the year.

- The department and SPMC reached agreement to relocate the North Battleford and Swift Current Rural Services Centres into Kramer Place and the E. I. Wood Buildings. The staff, along with SPMC and the Consultant, developed detailed floor plans for each location. Renovations are in process at both locations.
- Detailed floor plans were developed for new Rural Service Centres in Hudson Bay and Meadow Lake. Meadow Lake is under construction. The Hudson Bay Rural Service Centre staff moved to the new location in March 2001.
- The Maple Creek Rural Service Centre was renovated to consolidate the Livestock Inspection staff with the Extension Service program staff. The consolidation allowed the department to vacate the office space in the Erman Building.
- Renovations were completed to consolidate the Rural Service Centre staff in Wynyard, and to accommodate the Agricultural Operations staff and consolidate the Financial Programs staff in Weyburn.
- In accordance with the department-approved phase-in security plan for the Rural Service Centres, a security system was installed in Moose Jaw. Installation in

North Battleford will be included in the renovations of the new Rural Service Centre.

Geographic Information Systems

The GIS services included:

- **GIS Mapping** - creating maps using data from various sources as requested by clients; developing maps for delivery using Inter/Intranet technologies.
- **GIS Data Management** - acquiring, developing and maintaining spatial data- sets (base maps); setting standards for mapping data; managing the distribution of the data to GIS users in the department.
- **GIS Application and System Development** - creating custom GIS applications and analysis tools.
- **GIS Consulting** - assisting clients to understand the benefits of GIS and develop their own GIS strategies; advising clients on how to ensure GIS compatibility in their business databases; promoting GIS uses and capabilities.
- **GIS Training and Support** - providing technical advice and support to GIS users; arranging training in GIS applications.

Sample Survey Unit

The department recognizes that for SAF to be successful, we must be able to gather information about our client base in order to better understand our clients' needs and their current relationship with SAF. SAF established the sample survey unit in Statistics Branch in order to provide survey information gathering expertise to SAF and to conduct surveys on behalf of the branches and agencies of SAF. Statistics Branch maintains or has access to virtually every data file affecting Saskatchewan agriculture and is pursuing the development of a fully integrated database.

Agri-Food Council Agencies

The Agricultural and Food Products Development and Marketing Council (Agri-Food Council) is responsible for the supervision of ten agricultural marketing and development agencies. In 2000-2001, the Council and the department continued efforts to improve the level of reporting and accountability of these agencies to Council and to agency members.

Agricultural Credit Corporation of Saskatchewan

The Corporation continued to focus on reducing the outstanding portfolio. Since the wind-up was announced in March 1996, the portfolio has been reduced from \$382M to \$90.1M, at March 31, 2001. During the year, the portfolio was reduced by \$16M. For 2000-2001, ACS target is to resolve 450 loans that were more than 400 days delinquent. ACS was successful in resolving 585 of these loans.

In addition to resolving accounts, ACS also provided collections on behalf of other agencies such as Saskatchewan Crop Insurance Corporation. During 2000-2001, ACS was able to resolve 318 accounts, involving \$1.5 million, for Saskatchewan Crop Insurance Corporation.

Staff numbers were reduced to 32 positions in 2000-2001 from 42 at the start of the year. The remaining employees were transferred to SAF, January 1, 2001. They will continue the administration of the loan portfolio and assist with the administration of other financial programs within SAF. The outstanding ACS loans are on repayment terms that, for the most part, mature between 2001 and 2015. This arrangement will ensure that staff will be available to collect the remaining loans.

Freedom of Information Requests

The department responded to 12 Freedom of Information (FOI) applications made to SAF. The department's FOI coordinator also reviewed two Freedom of Information applications made to ACS and SCIC prior to the agencies responding to the applicant.

Information Distribution

The SAF Library continued to provide traditional library services to department staff and external clients until January 2001, when the traditional library services were curtailed; as a plan was developed to assist branches to more effectively manage their information needs. Up until January 15, 2001, services provided during the year included periodicals routing, archiving and filing, purchase and catalogue and responding to inquiries and information searches.

Goal 12

Industry awareness of SAF's direction, goals, policies and programs.

The best product or service in the marketplace is no use to anyone, if it is not understood by its potential consumers. SAF and its products and services are no different. SAF operates in a marketplace that needs to understand this organization, and what it does, if SAF is to make an effective contribution. This is true for the broader role and policies of the department and for the program and services targeted at specific customer groups. Achieving this goal will be a key factor in fulfilling our contribution to the province's agriculture and food sector and to the economy as a whole.

Public Awareness

The Minister, Deputy Minister and staff have numerous speaking engagements and presentations at industry events to ensure the policies, programs and services of the department are highlighted and understood.

News announcements, media coverage and individual interviews are used extensively to explain new initiatives and directions, and to provide commentary on industry developments.

Staff attendance at annual meetings of farm organizations and industry groups help promote the partnership role of the department, particularly in industry development.

Membership in various agencies and institutions that serve agriculture is a key tool to promote the working relationships that can maximize the department's contribution to the industry.

Media Appearances

Staff contributed to the *Market Prospects* television series broadcast on CFQC television, providing an overview of the current state of agriculture in mid-winter, and more specific information regarding input prices, usage, and trends into the spring seeding period.

National Ag and Food Month

SAF participated in National Agriculture and Food month activities during the month of October, including a public launch, contribution to a special national supplement on agriculture published in the *Globe and Mail* and *Les Affaires*, and organization of a special provincial supplement on agriculture to the *Regina Leader Post* and the *Saskatoon Star-Phoenix*, and advertising in the province's weekly newspapers to educate urban audiences on key agricultural issues.

Publications

SAF's monthly publication *Agri-View* is distributed 11 times a year as a supplement inserted in the *Western Producer*, which is distributed to over 50,000 Saskatchewan subscribers. *Agri-View* focuses on recent happenings and initiatives of interest to the agriculture and food industry, and outlines the government's agricultural policies and programs.

AgBits is a bi-weekly publication produced by SAF with a distribution of about 800 to MLAs, media, government departments and the public.

The *Farm and Food Report* is produced 52 times a year. Each issue is a collection of five agriculture and food related stories, which are distributed to all provincial media on a weekly basis.

The SAF Annual Report is distributed to industry organizations to highlight the official record of the department's activities. Other annual reports are prepared and tabled in Saskatchewan's Legislative Assembly (see Appendix A) before being made available to the public.

The department publishes numerous brochures and pamphlets on many different aspects of the agriculture and food industry.

Internet Publications: *AgBits*, the *Farm and Food Report*, and *Agri-View* are available on our SAF Internet site.

Trade Shows

SAF's display and promotional material are exhibited at a number of trade shows including the Canadian Western Agribition, Crop Production Show, Farm Progress Show, Prairie Ventures and local fairs throughout the province.

Century Family Farm Awards

In 2000-2001, 50 Saskatchewan families qualified for the Century Family Farm Awards, bringing to 494 the number of awards presented since the program was introduced in 1981, to honour family farms, which have been operated continuously by members of one family for 100 years or more.

2000 - 2001 Financial Schedules

Financial Schedules 2000-2001

Saskatchewan Agriculture and Food Schedule of Revenue and Expenditure

	2000-2001 Estimates \$000s	2000-2001 Actuals \$000s	Variances over (under) \$000s	Notes
Revenue				
Land Revenue:				
Crown Land Sales	2,730	2,669	(61)	1
Rent and Penalty on Land Leases	22,950	23,741	791	2
Interest	563	504	(59)	3
Royalties on Sand and Gravel	23	14	(9)	
Transfers from Federal Government	12,800	11,809	(991)	4
Transfers from Other Funds	-	38	38	5
Privileges Licences and Permits	481	517	36	6
Sales, Services and Service Fees	137	134	(3)	
Other Interest Revenue	425	487	62	7
Other Revenue	6	55	49	8
Refund of Previous Year Expenditures	100	882	782	9
Total Revenue	40,215	40,850	635	
Expenditure				
Administration	2,412	2,436	24	10
Accommodation and Central Services	3,476	3,466	(10)	
Industry Assistance				
Contributions for General Agriculture Interests	2,052	1,521	(531)	11
Farm Land Leaseback Compensation	100	60	(40)	12
Subtotal	2,152	1,581	(571)	
Land Management				
Land Management Services	3,144	3,298	154	13
Losses on Sale of Land	300	179	(121)	14
Land Revenue Bad Debt Allowances	500	392	(108)	15
Pastures Revolving Fund-Subsidy	-	97	97	16
Net Financing Requirement (Recovery)	-	(336)	(336)	17
Subtotal	3,944	3,630	(314)	

Financial Schedules 2000-2001

Saskatchewan Agriculture and Food Schedule of Revenue and Expenditure

	2000-2001 Estimates \$000s	2000-2001 Actuals \$000s	Variances over (under) \$000s	Notes
Inspection and Regulatory Management				
Program Operations	1,568	1,403	(165)	18
Disease and Animal Health Services	1,572	1,434	(138)	19
Prairie Diagnostic Services	2,025	2,025	-	
Livestock Services Revolving Fund				
Net Financing Requirement	-	77	77	20
Subtotal	5,165	4,939	(226)	
Policy and Planning				
Policy and Program Development	1,522	1,675	153	21
Statistics	793	861	68	22
Communications	1,491	1,518	27	23
Business and Information Technology Services	2,184	2,220	36	24
Subtotal	5,990	6,274	284	
Research and Technology				
Project Coordination	837	829	(8)	
Research and Development	6,900	6,771	(129)	25
Strategic Research Program	4,188	4,308	120	26
Technology Adoption and Demonstration	3,500	3,799	299	27
AgWest Biotechnology	1,100	1,100	-	
Prairie Agricultural Machinery Institute	768	768	-	
New Generation Co-operatives	500	70	(430)	28
Subtotal	17,793	17,645	(148)	
Development and Technology Transfer				
Industry Development	1,728	1,675	(53)	29
Sustainable Production	2,417	2,481	64	30
Extension Services	7,175	7,355	180	31
Pork Central	899	796	(103)	32
Subtotal	12,219	12,307	88	
Farm Income Stability				
Net Income Stabilization Account	40,000	46,658	6,658	33
Agricultural Income Disaster Assistance	25,000	-	(25,000)	34
Farm Land Property Tax Rebate	25,000	25,000	-	
Subtotal	90,000	71,658	(18,342)	

Financial Schedules 2000-2001

Saskatchewan Agriculture and Food Schedule of Revenue and Expenditure

	2000-2001 Estimates \$000s	2000-2001 Actuals \$000s	Variances over (under) \$000s	Notes
Investment Programs				
Program Operations	3,870	4,377	507	35
Investment Management	977	1,024	47	36
Agri-Food Equity Fund (Investment Loss Allowance)	3,000	3,000	-	
Short-Term Hog Loan Program-Loan Losses	150	(1,105)	(1,255)	37
ACS Interest Subsidy	9,500	8,250	(1,250)	38
Subtotal	17,497	15,546	(1,951)	
Crop Insurance				
Program Delivery	25,600	25,600	-	
Crop Premiums	56,000	46,005	(9,995)	39
Livestock Feed Premiums	1,000	1,259	259	40
New Crops Premiums	2,300	5,935	3,635	41
Waterfowl Damage Compensation Program	2,200	2,200	-	
Big Game Damage Compensation Program	1,000	1,000	-	
Subtotal	88,100	81,999	(6,101)	
Total Expenditure	248,748	221,481	(27,267)	
Statutory Adjustments for Revolving Funds	(258)	-	258	42
Special Warrants	10,000	-	(10,000)	43
Total Revised Estimates and Expenditure	258,490	221,481	(37,009)	
Prior Year Expenditure	(35,000)	-	35,000	44
2000-2001 Department Total	223,490	221,481	(2,009)	
FTE Staff Complement (FTE-Full Time Equivalent)	590	585	(5)	45

These financial schedules have been prepared in accordance with the government's accrual accounting policies.

Note: Totals may not add due to rounding.

Financial Schedules - Notes

Explanations of variances which exceed \$20,000 between Estimates and Actuals.

Revenue

- 1. Demand for agricultural land was lower than estimated due to continued reduced net farm income and lower than expected Treaty Land Entitlement sales activity.
- 2. The Revenue Budget was developed in the fall of 1999, however because of a substantial increase in the price of oil, the number of new oil wells drilled on Crown land was much higher than estimated resulting in increased Petroleum and Gas revenues.

Also the Cultivation Lease Revenue budget used a lease rate estimate of \$10.30/acre. The actual rate of \$11.07/acre was not calculated until January 2000 as it is based on such factors as grain prices and land productivity.

- 3. Interest revenue was lower as some producers obtained private financing and paid out their land purchase loans ahead of schedule.
- 4. Administration expenses for the Saskatchewan Crop Insurance Corporation (SCIC) are cost shared 50/50 by the federal and provincial governments. The Department advances SCIC 100 per cent of the funding and the federal government then reimburses the Department.
- 5. \$37,639, relating to the collection of previously written off GRIP (Gross Revenue Insurance Program) receivables and interest, was recorded as revenue in 2000-2001.
- 6. Revenues for the issuing of leases, recording leases, and executing assignments were higher than budgeted due to increased activity.
- 7. Interest revenue from the Short-term Hog Loan Program is based upon the Government's 30 day borrowing rate. The average 30 day borrowing rate for 2000-2001 was higher than expected.
- 8. Saskatchewan Crop Insurance Corporation (SCIC) is charged a commission fee by the department for providing services in the collection of SCIC delinquent accounts. This service was previously provided by the Agricultural Credit Corporation, however, during 2000-2001 this activity was transferred to the department.

- 9. Saskatchewan Crop Insurance Corporation did not utilize \$382,000 of its 1999-2000 administration grant, and the unused portion of the Unseeded Acreage Benefit Program of \$350,000 was returned to the department in 2000-2001. Also, a 1999-2000 Technology Adoption and Demonstration expenditure of \$50,000 was refunded in 2000-2001.

Expenditure

- 10. The overexpenditure resulted from higher internal committee activity and expenses and from the mid-year requirement by SaskTel to purchase telephones rather than rent.

- 11. Funding allotted in the 2000-2001 budget to support development of the agriculture industry was not fully utilized. The number of agricultural interest groups requesting and receiving support was lower than expected.

- 12. Fewer producers were subject to compensation as more land was purchased from lenders.

- 13. The overexpenditure includes provision for a \$200,000 contingent liability.

- 14. When the department sells land for less than its original cost, a loss is recorded. In 2000-2001 the amount of Crown Land sold at lower than cost was less than anticipated.

- 15. The increase in the allowance for uncollectable account receivables was lower than budgeted.

- 16. In 1999-2000 The Pastures Revolving Fund exceeded, by \$96,984, the accumulated deficit maximum of \$700,000. Treasury Board specifies that if at the end of any fiscal period, the accumulated deficit exceeds the maximum then the deficit in excess of the maximum must be paid from the General Revenue Fund. The 1999-2000 deficit was paid from the GRF in 2000-2001.

- 17. The Pastures Revolving Fund cash revenues exceeded cash expenditures resulting in a net recovery. Revenue was higher than budgeted due to the transfer of sand, gravel and oil and gas revenue from the department to the revolving fund during 2000-2001, pursuant to *The Pastures Act*.

- 18. Savings resulted from vacant positions.

- 19. Chronic Wasting Disease Surveillance Program expenditures were lower than budgeted.

20. The Livestock Services Revolving Fund cash expenditures exceeded cash revenues resulting in net financing as required by law. Operating expenses exceeded the budget, while revenue decreased marginally.
21. The program experienced unbudgeted expenditures associated with the establishment of the Action Committee on the Rural Economy (ACRE), the Tri-National Accord Conference and the Farm Support Review Committee.
22. The Farm Input Price survey and Adaptation Strategies survey costs were not budgeted.
23. The Program experienced unbudgeted communication expenditures associated with the establishment of the Action Committee on the Rural Economy (ACRE).
24. Department subscriptions of books, magazines, and reference materials were higher than originally budgeted.
25. The number of projects approved for funding was fewer than anticipated.
26. The costs associated with Agricultural Process and Engineering as well as Animal Production areas were higher than budgeted.
27. The number of projects approved for funding was higher than anticipated.
28. 2000-2001 was the first year for this program and program costs were not as high as budgeted.
29. Savings resulted from vacant positions and reduced travel.
30. A contract for the Sheep Development Board Livestock Predation Program was not budgeted.
31. Program overexpenditures resulted from unanticipated salary increases.
32. Savings resulted from vacant positions and reduced travel.
33. Provincial contributions to the Net Income Stabilization Account (NISA) program were higher due to higher than expected producer eligible net sales and matching contributions. As well, the interest bonus was higher because of larger NISA account balances.
34. The \$25 million was utilized to fund the required 1999-2000 AIDA contribution.
35. The Financial Programs Branch was created in 2000-2001 to consolidate the delivery of the department's financial support programs, including the administration necessary to complete the integration of the Agricultural Credit Corporation of Saskatchewan into the department. Also, the new program experienced some one-time startup and operational cost overruns.
36. The Agri-Food Equity Fund-Investment Management overexpenditure resulted from increased Vacation and SDO Entitlement liability, salary increases and increased computer hardware purchases.
37. With this program experiencing very low delinquent rates and significant repayment activity, the loan loss allowance from the prior year was reduced.
38. Higher than expected interest rates throughout most of the 2000-2001 fiscal year resulted in less funding required to subsidize ACS interest revenue.
39. The 2000-2001 Crop Insurance program required a provincial crop premium contribution of \$46 million.
40. Settlement of prior year Federal Government holdbacks resulted in higher provincial contributions in 2000-2001 which was required to restore actuarial soundness to the program.
41. Producers insured more acres, particularly Chickpeas, under the New Crops Program, resulting in higher provincial premium contributions.
42. Since Revolving Funds are given statutory authority to spend within certain limits, the actual net financing requirements (or recovery) that occurs in the year does not come out of the Department's base budget. Instead, the Department's base budget is adjusted to reflect the actual net financing required (or recovered).
43. Special Warrants increase the Province's overall budget and are disclosed in the Public Accounts as an increase in the appropriations. Special Warrants may only be issued when the Legislature is not in session. In 2000-2001 the Department received Special Warrants for the NISA Enhancement (\$7 million) and the Saskatchewan Crop Insurance Corporation New Crops Premiums (\$3 million).
44. Final funding to the two year Federal-Provincial AIDA program was expensed in 1999-2000.

FTE

45. The variance was a result of vacant staff positions throughout the year.

Saskatchewan Legislation Administered by Saskatchewan Agriculture and Food 2000-2001

The Agricultural Credit Corporation of Saskatchewan Act
The Agricultural Equipment Dealerships Act
The Agricultural Implements Act
The Agricultural Operations Act
The Agricultural Safety Net Act
The Agricultural Societies Act
The Agri-Food Act
The Agri-Food Innovation Act
The Agrologists Act, 1994
The Animal Identification Act
The Animal Products Act
The Animal Protection Act, 1999
The Apiaries Act

The Cattle Marketing Deductions Act, 1998
The Crop Insurance Act
The Crop Payments Act

The Department of Agriculture and Food Act
The Diseases of Animals Act

The Expropriation (Rehabilitation Projects) Act

The Farm Financial Stability Act
The Farmers' Counselling and Assistance Act
The Farming Communities Land Act

The Grain Charges Limitation Act

The Horned Cattle Purchases Act

The Land Bank Repeal and Temporary Provisions Act
The Leafcutting Beekeepers Registration Act
The Line Fence Act

The Milk Control Act, 1992

The Noxious Weeds Act, 1984

The On-farm Quality Assurance Programs Act

The Pastures Act

The Pest Control Act

The Pest Control Products (Saskatchewan) Act

The Prairie Agricultural Machinery Institute Act, 1999

The Provincial Lands Act ()*

The Sale or Lease of Certain Lands Act ()*

The Saskatchewan Farm Security Act ()*

The Saskatchewan 4-H Foundation Act

The Soil Drifting Control Act

The Stray Animals Act

The Vegetable, Fruit and Honey Sales Act

The Veterinarians Act, 1987

The Veterinary Services Act

(*) Joint responsibility

Appendix A

Special Purpose Funds and Agencies with Legislative Responsibility to Saskatchewan Agriculture and Food as of March 31, 2001

Year End

Special Purpose Funds (Financial Statements are tabled separately)

Agricultural Implements Board Fund	March 31
Agri-Food Equity Fund	March 31
Cattle Marketing Deductions Fund	March 31
Pastures Revolving Fund	March 31
Horned Cattle Fund	March 31
Livestock Services Revolving Fund	March 31
Saskatchewan Agricultural Stabilization Fund	March 31

Agencies (Annual Reports are published separately)

Agricultural Credit Corporation of Saskatchewan	March 31
Agricultural and Food Products Development and Marketing Council	December 31
Agri-Food Innovation Fund	March 31
Beef Development Board	March 31
Milk Control Board	December 31
Prairie Agricultural Machinery Institute	March 31
Saskatchewan Crop Insurance Corporation	March 31
Crop Reinsurance Fund of Saskatchewan	March 31

Agencies under the Agricultural and Food Products Development and Marketing Council

Saskatchewan Alfalfa Seed Producer's Development Commission
Saskatchewan Broiler Hatching Egg Producer's Marketing Board
Saskatchewan Canola Development Commission
Canodev Research Inc.
Chicken Farmers of Saskatchewan
Saskatchewan Commercial Egg Producer's Marketing Board
Saskatchewan Flax Development Commission
Saskatchewan Pulse Crop Development Board
Saskatchewan Sheep Development Board
Saskatchewan Turkey Producer's Marketing Board
Sask Pork